

# **ECOWAS**Poverty Profile

Prepared by the

Commission of the Economic Community of West African States (ECOWAS) and the United Nations Statistics Division,

Department of Economic and Social Affairs





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#### Note

The designation used and the presentation of material in this report do not imply the expression of any opinion whatsoever on the part of either the Secretariat of the United Nations or the Economic Community of West African States (ECOWAS) Commission concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The term "country" as used in this report also refers, as appropriate, to territories or areas.

The designations "developed" and "developing" regions/countries are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

The publication has been prepared by the ECOWAS Commission with the assistance and support of the Statistics Division of the United Nations Secretariat, Department of Economic and Social Affairs.

#### **Preface**

The ECOWAS Poverty Profile is one of the outputs of the United Nations Development Account Statistics project on "Strengthening statistical capacity building in support of the Millennium Development Goals in the region of the Economic Community of West African States", jointly carried out by the United Nations Statistics Division (UNSD) and the Commission of the Economic Community of West African States (ECOWAS), in collaboration with the United Nations Economic Commission for Africa (UNECA). It describes national practices in monetary poverty measurement and presents poverty statistics for the 15 member countries of ECOWAS, namely Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

Strengthening national capacity to generate poverty statistics was one of the areas identified by the first meeting of senior managers of national statistical offices (NSOs) in the ECOWAS region held in Ouagadougou, Burkina Faso, on 21 November 2003. The work on ECOWAS Poverty Profile started after a workshop on poverty statistics was held in Abuja, Nigeria, from 26 to 30 July 2004, where 37 persons from 14 West African countries and from the ECOWAS Executive Secretariat were trained in the collection and analysis of poverty statistics. This was followed by an expert group meeting (Abuja, 24-25 February 2005), which agreed on a list of poverty statistics and indicators to be collected jointly by UNSD and ECOWAS Commission and prepared an annotated outline of the publication. Based on the outline, three consultants from the ECOWAS region were recruited to prepare the first draft of the publication under the general direction and supervision of UNSD and the ECOWAS Commission. The various drafts were reviewed and approved by a steering committee comprising the directors of ECOWAS NSOs. The final draft was sent to member states for comments prior to publication.

In recent years there has been a growing demand for, and use of, poverty statistics in the ECOWAS region, as well as an increase in national capacity for using such data for country assessments and poverty reduction strategies. However, the scarcity of comparable statistics on poverty in the region has remained a critical area of concern in the ECOWAS Commission's efforts to harmonize statistics in the region. The capacity of NSOs to collect data on poverty on a regular basis varies from country to country, as do the methods of data collection and poverty measurement. This report, the first of its kind in the ECOWAS region, is an important step towards building harmonized poverty statistics in the region. The various country practices in data collection and poverty measurement provide a comparative frame within which individual countries can assess their own methodologies. Moreover, understanding how each of the countries in the region defines and measures poverty is a first step toward realizing the goal of more harmonised statistics in the region.

This report is envisaged as a tool for sharing information on practices in poverty measurement in the ECOWAS region and as a reference guide for national statisticians, researchers, and policymakers. Beyond the inventory of country practices in data collection and poverty measurement, the report presents poverty profiles for each individual country, highlighting the main trends and patterns observed in the region. The ECOWAS Poverty Profile will be further enriched by the countries in the region as they overcome the challenge of regularly collecting, analysing, and disseminating comparable and quality data on poverty and poverty-related factors.

The ECOWAS Poverty Profile was prepared in close collaboration with the national statistical offices of the ECOWAS member countries. UNSD and the ECOWAS Commission would like to express their appreciation to the ECOWAS member states for their support and commitment to this project, and for supplying available data for the compilation of this publication. In addition, we are grateful to the Government of Nigeria for hosting the 2004 workshop on poverty statistics and the 2005 expert group meeting.

The first draft of the country profiles was prepared by Mr. Momar Ballé Sylla (Senegal), Mr. Bakari Traore (Burkina Faso), and Prof. Bernard Aigbokhan (Nigeria) and the final draft of the entire report, including the Overview, was prepared by Ms. Ionica Berevoescu—all working as consultants to UNSD. Members of the UNSD project team Grace Bediako, Yacob Zewoldi, Erlinda Go, and Jeremiah Banda provided invaluable comments and contributions as did ECOWAS Commission members Akou Adjogou and Joseph Ilboudou.

All regional and international institutions that participated in the project, either by providing resource persons for the workshop and the expert group meeting and/or by contributing data for the ECOWAS Poverty Profile, are gratefully acknowledged. In particular, we are thankful to the United Nations Economic Commission for Africa (UNECA) and L'Observatoire Economique et Statistique d'Afrique Subsaharienne (AFRISTAT).

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## Organization of the report

ECOWAS Poverty Profile presents national practices in monetary poverty measurement and poverty statistics for the 15 member countries of the Economic Community of West African States (ECOWAS), namely, Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

The report consists of two parts. The first part is a cross-country overview of poverty measurement with a three-fold purpose. First, it shows the capacity of national statistical offices in the ECOWAS region to collect, analyse, and disseminate poverty data, capturing gaps in data availability and identifying the countries where human resources and technical and financial assistance are needed the most. Second, it reviews cross-country differences in the latest methods used in poverty measurement, providing the basic information for building harmonised poverty statistics in the region. Third, it makes available a compilation of country estimates of poverty at the national level with disaggregation by geographical location and socio-economic characteristics of the household head, highlighting the main poverty trends and patterns observed in the region.

The second part of the report comprises individual country profiles, offering a brief account of each country's recent history in poverty measurement and a presentation of the latest available poverty statistics in that country. Each country profile shows what household sample surveys relevant for poverty assessment have been carried out since 1985 and their coverage in collecting three types of data: monetary dimensions of poverty (income and expenditure); non-monetary dimensions of poverty (such as education, health, access to basic social services); and subjective perceptions of poverty. There follows a brief presentation of how monetary poverty has been measured in the country since 1985, with a more extensive focus on the latest conducted survey and the latest methods of poverty estimation. Finally, each country profile includes poverty statistics derived from the latest available survey, at national level and disaggregated by type of locality, region, household size, and socio-economic characteristics of the household head (education, occupation, and sex). When available, poverty statistics comparable over time are presented.

#### Sources of data

Poverty data and poverty measurement methodologies presented in this report were obtained from publications prepared by the national statistical offices, as well as from other published reports produced by ECOWAS member countries in collaboration with international agencies such as the World Bank and the United Nations Development Programme (UNDP). Additional information was drawn from the Regional Workshop on Poverty Statistics organised by the Executive Secretariat of ECOWAS and UNSD in Abuja, Nigeria, in July 2004, where representatives of the national statistical offices shared their experiences in data collection and analysis as well as poverty statistics. All these reports are presented at the end of this publication in a list of bibliographic references organised by country.

More data may be available than have been compiled in this report. On the one hand, some countries may have the information but have not effectively disseminated it at the regional and global levels, therefore the information was unavailable to the authors. On the other hand, some international research publications may contain more extensive analysis of data collected in ECOWAS countries, but these were not taken into account in this report. The focus here was on national practices in poverty measurement and analysis and on national capacity to produce and disseminate data on poverty.

#### Symbols and conventions

A slash (/) between two consecutive years (e.g. 1988/89) indicates that data collection took place over a continuous period that covered consecutive months within the two-year period.

A hyphen (-) between two years (e.g. 1987-1989) indicates that data collection took place in two or more waves, each of them specific to certain types of locality (i.e. urban areas or rural areas), between the beginning year and the end year shown.

Two dots (..) indicate that the information is not available for the country for the indicated year or period.

A dash (—) indicates "not applicable".

< 1 indicates magnitude nil or less than half of the unit employed.

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#### Abbreviations and acronyms

**CWIQ** Core Welfare Indicators Questionnaire

(QUIBB) (Questionnaire unifié des indicateurs de base du bien-être)

(QUID) (Questionnaire unifié des indicateurs de développement)

**CPI** Consumer Price Index

DHS Demographic and Health Survey

**DNSI** Direction National de la Statistique et de l'Informatique

**DPS** Direction de la Prévision et de la Statistique

**EBC** Enquête Budget-Consommation (Consumption Budget Survey)

**ECOWAS** Economic Community of West African States

**FEI** Food Energy Intake

GDDS General Data Dissemination System

GDP Gross Domestic Product

HDI Human Development Index

HIPC Highly Indebted Poor Countries

ICP International Comparison Program

IHSN International Household Survey Network

IMF International Monetary Fund

INSAE Institut National de la Statistique et de l'Analyse Economique

INSD Institut National de la Statistique et de la Démographie

LSMS Living Standard Measurement Study

MDGs Millennium Development Goals

MDR Ministère du Développement Rural

in the control of the

MICS Multiple Indicator Cluster Survey

**NEPAD** New Partnership for Africa's Development

**ODHD** Observatoire du Développement Humain Durable

ORANA Office des Recherches sur l'Alimentation et la Nutrition Africaines

**PPA** Participatory Poverty Assessment

**PPP** Purchasing Power Parity

**PRGF** Poverty Reduction and Growth Facility

**PRSP** Poverty Reduction Strategy Paper

QUID Unified Questionnaire on Development Indicators

UEMOA Union Economique et Monétaire Ouest Africaine
(WAEMU) (West African Economic and Monetary Union)

UNECA United Nations Economic Commission for Africa

**UNDP** United Nations Development Programme

**UNSD** United Nations Statistics Division

#### **OVERVIEW**

# Increasing demand for, and use of, poverty statistics in the ECOWAS region

Poverty is one of the major concerns in ECOWAS and in the last two decades diverse interventions to reduce poverty have been implemented in each of the member countries. Until recently, however, the focus of development policies had been more on economic structural adjustments, mainly donor-driven, with the support of international agencies such as the World Bank, the International Monetary Fund, and the African Development Bank. Although these programmes stabilised the economic environment, the gains at the macro-level did little to improve people's living standards. In the 1990s, as the development paradigm shifted toward putting "people at the centre of development" (Para. 26 (a), Copenhagen Declaration on Social Development, 1995), regular monitoring of poverty assumed greater importance and national governments themselves became more involved. All ECOWAS countries (except Liberia) participated in the World Summit for Social Development, in 1995, in Copenhagen, and agreed with other countries of the world to the adoption of the Copenhagen Declaration on Social Development and the Programme of Action of the World Summit for Social Development. An important outcome of the declaration was each country's commitment to estimate poverty levels, to set goals and targets for poverty reduction, and to implement anti-poverty policies.

Although technical and financial assistance from the international community remained important in the ECOWAS region in the latter part of the 1990s, and has continued to be so in the 2000s, there has been a shift from donor-driven to more country-owned poverty assessments and poverty reduction policies. Several international projects and programmes were particularly important in increasing the demand for poverty statistics and the national capacity for producing and using such statistics for policymaking. In 1996 the United Nations Development Programme launched the Poverty Strategies Initiative through which countries were supported to undertake poverty diagnosis and to develop anti-poverty strategies. As one of the results, several ECOWAS countries have followed the model provided by the *Human Development Report*, gathered various socio-economic data on human development and related factors, and issued national reports (for example Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Nigeria, and Senegal).

Also, in 1996, the World Bank and the International Monetary Fund (IMF) launched the Highly Indebted Poor Countries (HIPC) Initiative, which required countries eligible for debt relief to have prepared and implemented *Poverty Reduction Strategy Papers* (PRSPs), established a track record of macroeconomic stability, and undertaken steps toward social and structural reforms. At the beginning of the 2000s all of the ECOWAS countries had completed either an interim or a final PRSP. A large body of statistics on poverty and socio-economic factors related to poverty, already produced, was compiled and used in countries' policies, as presented in the PRSPs. In some cases the PRSP process stimulated the production of new data and household surveys were commissioned in order to provide the needed information. Moreover, through their PRSPs, ECOWAS countries have devised monitoring systems aiming to integrate information from

Under the Enhanced HIPC Initiative, by the end of 2006 seven ECOWAS countries had reached the completion point and qualified for full debt relief: Benin, Burkina Faso, Ghana, Mali, Niger, Senegal, and Sierra Leone. Another three countries — Gambia, Guinea, and Guinea-Bissau — completed their PRSPs and qualified for interim relief. After implementation of economic and social reforms they may receive full debt relief. Côte d'Ivoire, Liberia, and Togo are potentially eligible for HIPC Initiative assistance but they have not yet met the necessary criteria. Nigeria and Cape Verde are not eligible for the HIPC Initiative but they obtained debt relief in the 2000s under terms of agreement with the Paris Club.

different national entities and to ensure the future collection and dissemination of the data necessary to evaluate anti-poverty and development strategies. Within these systems several countries have plans for a combination of surveys measuring poverty every five years, with annual surveys monitoring the access of the poor to social services.

The adoption of the Millennium Development Goals (MDGs) in 2000, by international organizations and national governments, gave further impetus to the efforts to reduce poverty in the world as well as to produce statistics to monitor progress. Two poverty-reduction targets of the MDGs are to "reduce by half the proportion of people living on less than a dollar a day" and to "reduce by half the proportion of people who suffer from hunger" by 2015. ECOWAS countries, among others, expressed their commitment to the achievement of the MDGs, and all of them have developed their own national MDGs reports (United Nations Statistics Division, 2004).

While the demand for, and use of, poverty statistics have increased in the ECOWAS region countries have followed different paths in their production of poverty statistics. First, not all the countries have collected and disseminated data on poverty at regular intervals. Second, countries have not used the same methods to collect data and to measure poverty. These two issues have greatly diminished the comparability of data among countries, making the scarcity of comparable statistics on poverty a critical area of concern in the ECOWAS Commission's effort to harmonize statistics in the region.

# Household surveys collecting data on poverty

ECOWAS countries have collected data for their poverty assessments from three main types of household surveys: (a) surveys on income and expenditure; (b) surveys on non-monetary dimensions of poverty such as education, health, or assets, and access to public services; and, (c) surveys on subjective evaluations of poverty.

All the ECOWAS countries have conducted at least one household survey in the last two decades that provides comprehensive data on income and expenditure. Most of them have also conducted multipurpose surveys where income and expenditure items were included along with other topics such as health, education, employment, agriculture, the ownership of housing or land, access to services, and social programmes, thereby providing a better understanding of poverty and a wide range of issues related to poverty.

Yet, some countries have conducted more household surveys than others (table 1). Côte d'Ivoire was the most prolific country, with four Living Standard Measurement Study (LSMS) surveys conducted between 1985 and 1989, and an additional four surveys carried out since 1990.<sup>2</sup> Also, Ghana implemented two LSMS surveys between 1985 and 1989, followed after a short interval by the 1991/92 survey. The succeeding LSMS surveys — the fourth and the fifth — took place at seven-year intervals.

Benin, the Gambia, Guinea-Bissau, and Nigeria have collected data needed to measure monetary poverty in four household surveys since 1985. The Gambia and Nigeria were able to conduct the surveys at relatively regular intervals, one survey every five years or so. Guinea-Bissau and Benin were unable to carry out surveys every five years, but managed to do so in three out of the four quinquennia between 1985 and 2004.

Burkina Faso and Senegal started the series of surveys on income and expenditure later, beginning in the 1990-1994 quinquennium, but they were able to conduct such surveys in each of the next five-year periods.

<sup>&</sup>lt;sup>2</sup> Côte d'Ivoire and Ghana were among the first African countries where the LSMS type of survey was implemented with support from the World Bank.

In contrast, Guinea implemented two surveys with an interval of eight years, while Cape Verde, Niger, and Sierra Leone have conducted two surveys with more than 10-year intervals. Also, Togo implemented its three surveys (the second of which covered only a sub-sample of the first survey) with large intervals between them. The extreme case is Liberia, where the only source of poverty data is a 2000 survey.

Table 1.

National household surveys for collecting data on income and/or expenditure since 1985

|               | 1985 to 1989          | 1990 to 1994 | 1995 to 1999          | 2000 to 2004                  | 2005 to 2006 |
|---------------|-----------------------|--------------|-----------------------|-------------------------------|--------------|
| Benin         | 1986/87               |              | 1994-96 <sup>1)</sup> | 1999-2000 <sup>1)</sup> ,2003 |              |
| Burkina Faso  |                       | 1994/95      | 1998                  | 2003                          |              |
| Cape Verde    | 1988/89               |              |                       | 2001/02                       |              |
| Côte d'Ivoire | 1985 <sup>2)</sup>    | 1993         | 1995,1998             | 2002                          |              |
| Gambia        | 1989                  | 1992/93      | 1998                  | 2003/04 3)                    |              |
| Ghana         | 1987/88 <sup>2)</sup> | 1991/92      | 1998/99               |                               | 2005/06      |
| Guinea        |                       |              | 1994/95               | 2002/03                       |              |
| Guinea-Bissau | 1986                  | 1991, 1993   |                       | 2002                          |              |
| Liberia       |                       |              |                       | 2000                          |              |
| Mali          | 1988/89               | 1994         |                       | 2001/02                       |              |
| Niger         |                       | 1989-93 1)   |                       |                               | 2005         |
| Nigeria       | 1985/86               | 1992/93      | 1996/97               | 2003/04                       |              |
| Senegal       |                       | 1992         | 1994/95               | 2001/02                       |              |
| Sierra Leone  |                       | 1989/90      |                       | 2003/04                       |              |
| Togo          | 1987-89 1)            |              | 1995                  |                               | 2006 3)      |

Sources: Compiled from individual country profiles.

#### Notes:

1) In several countries surveys did not cover all types of localities at the same time. In Benin separate surveys were conducted in urban areas (1996 and 1999) and in rural areas (1994/95 and 1999/2000). In Niger the 1989-93 survey was conducted in 1989/90 in urban areas and in 1992/93 in rural areas. In Togo the 1987-89 survey was carried out between February 1987 and March 1988 in the main cities and between October 1988 and November 1989 in small towns and rural areas. A sub-sample of this survey was used in a 1995 study carried out by UNDP.

2) In Côte d'Ivoire several surveys were conducted between 1985 and 1989 (1985, 1986, 1987, and 1988). In Ghana, between 1985 and 1989, two surveys (1987/88 and 1988/89) were conducted.

3) Results not available as of February 2007.

It should be noted that a few of the surveys listed in table 1 were not implemented at the same time in urban areas and in rural areas. There are three such cases: Benin implemented national surveys on expenditure in 1986/87 and 2003 but in between, two separate surveys were conducted in urban and rural areas respectively. In Niger and Togo the earlier surveys were conducted in urban and rural areas with an interval of more than one year.

Data processing and dissemination capability also varied from one country to another. For some surveys the results were released more than one year after data collection, as was the case for the 2003 survey in Burkina Faso, the 1998 and 2003/04 surveys in the Gambia, and the 1998/99 survey in Ghana.

Additional information on poverty was collected through other types of surveys. First, some surveys were narrower in areas covered or topics. For example, in 1996 surveys on household expenditure were carried out in capitals of seven member countries of the West Africa Economic and Monetary Union (WAEMU): Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo. The purpose of the surveys was to determine the structure of purchases of goods and services of households in order to provide weights for a harmonised price index for all WAEMU countries.

Second, rapid monitoring and satisfaction surveys, based on short questionnaires and with data-entry packages, have recently become popular in the region. The Core Welfare Indicator Questionnaire (CWIQ) initiated by the World Bank has been applied in 11 of the 15 ECOWAS countries: Benin, Burkina Faso, Cape Verde, Ghana, Guinea, Guinea-Bissau, Mali, Niger, Nigeria, Senegal, and Togo. According to the World Bank (2002) this type of survey is designed to show whether public services and development programmes are reaching and benefiting the poor, whether people have access to basic social and infrastructure services, and whether they are content with these services. Although the CWIQ is not designed to measure whether poverty levels are decreasing or increasing, some countries may use the results to assess the living conditions in households at some point in time.

Third, all the countries in the region except Cape Verde and Guinea collected data on individuals' subjective perceptions on poverty through dedicated Participatory Poverty Assessments (PPA) or other qualitative studies, as well as through modules on subjective well being integrated in household survey questionnaires. These qualitative evaluations of poverty provided in-depth knowledge on the causes of poverty and impoverishment from the perspective of the poor, including their views on the quality of services as well as their priorities and challenges, and the opportunities open to them.

Last, other types of surveys were used to collect data on the non-monetary dimension of poverty or socio-economic factors linked to monetary poverty. Almost all ECOWAS countries collected data on health, education, and nutrition through Demographic and Health Surveys (DHS) and Multiple Indicator Cluster Surveys (MICS). Only Benin and Cape Verde have not conducted a MICS and only the Gambia, Guinea-Bissau, and Sierra Leone have not yet carried out a DHS. Employment and informal sector surveys, or more general surveys on socio-economic context, were also carried out in the region. Six countries — Benin, Burkina Faso, Mali, Niger, Nigeria, and Togo — conducted labour force surveys, and two of them, Mali and Niger, conducted surveys on the informal sector, generally in the capital or in the urban areas of the country.

Thus, although sustainability in monitoring poverty has been difficult, ECOWAS countries were able to conduct several types of surveys. Data needed to measure monetary and non-monetary poverty, as well as data on other socio-economic factors related to poverty, have become available for national poverty assessments and policymaking.

## National practices in measuring poverty in the ECOWAS region

Various data necessary to assess poverty have been collected in the ECOWAS region for over two decades, although not in an integrated, coordinated manner. In addition, the measurement of monetary poverty varied from one country to another. As a result, poverty statistics produced so far by countries are not comparable. Understanding how countries define and measure poverty is a first step toward more harmonised statistics. Thus, this section reviews the operational definition of poverty as used by national entities — mainly national statistical offices and governmental bodies. It identifies which elements are common and which elements are different in the ECOWAS region at the latest conducted survey, with regard to three steps in obtaining consumption-based measures of poverty: (a) construction of consumption

aggregate; (b) adjustments for differences in cost of living and for age and sex composition of household; and, (c) setting a poverty line. Differences in any of these elements of poverty measurement are important as they diminish the comparability of poverty estimates across the countries.

#### **Construction of consumption aggregate**

All ECOWAS countries used consumption/expenditure data to measure poverty. Compared to income consumption is considered a better indicator of welfare, especially in developing countries with a relatively poor agrarian economy or large informal sector, where the fluctuation during the year is greater for incomes than for expenditures and where households consume a substantial portion of their own production of goods.<sup>3</sup> However, the construction of the consumption aggregate has similarities and differences from one country to another. As common features, all the ECOWAS countries collected data on food and non-food items consumed by households on frequent and infrequent expenditures. The construction of the consumption aggregate took into account expenditures on purchased items and corrected for the differences between consumption and expenditure.

First, the value of consumption from home-produced goods, gifts received, or in-kind payment received from employers, was included in the consumption aggregate by all the countries. However, countries used different sources of price data to estimate the value of this consumption (table 2). Côte d'Ivoire, Ghana, Guinea, Guinea-Bissau, and Senegal used prices collected during the same household survey, thus assuring the correspondence between the prices assigned and the purchasing power of specific groups of population. Also, Benin, Liberia, Mali, Sierra Leone, and Togo collected prices in the markets in each enumeration area at the time of the household survey. Niger and Nigeria used a combination of two sources of data. In Niger the price data used came from the household survey and the Consumer Price Index (CPI). In Nigeria price data were collected in the markets in each enumeration area only for products not covered by data already available through the production of CPI. In the Gambia only CPI data was used.

Second, consumption flow from expensive durable goods that last for many years, such as cars or refrigerators, was derived from the purchase value and the age of the products. Also, rent equivalent values for owner-occupied dwellings were imputed based on hedonic regressions taking into account actual rents recorded and housing characteristics. Most of the ECOWAS countries included in the consumption aggregate imputed user costs for durable goods and rental equivalent expenditures. There were a few exceptions, however. For example, Mali included in the consumption aggregate the value of purchasing durable goods, while Niger did not include either the cost of durable goods or the user value for them.

Finally, other types of items, which poverty experts recommended<sup>4</sup> be excluded from the consumption aggregate, were included by some countries. For example, health expenditures were included in the consumption aggregate for the Gambia, Liberia, Nigeria, and Sierra Leone. In Ghana small health-related expenses were included, while large expenses like those on hospitalisation were excluded. In Niger no health expenditures were considered. As another example, expenditures on marriages and dowries were included for Liberia and Mali but not for Ghana, Niger, Nigeria, or Sierra Leone. Gifts and transfers to others were included for Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, and Senegal, but excluded for Ghana, Nigeria, and Sierra Leone.

<sup>&</sup>lt;sup>3</sup> For a general review of arguments in favour of using income or expenditure for poverty estimates, see *Compendium of best practices in poverty measurement* (Expert Group on Poverty Statistics — Rio Group, 2006) and *Handbook on Poverty Statistics* (United Nations publication, forthcoming).

See, for example, Guidelines for Constructing Consumption Aggregates for Welfare Analysis (Deaton, Angus and Salman Zaidi, 2002).

| Table 2. Sources of | price data | for home- | produced | goods |
|---------------------|------------|-----------|----------|-------|
|                     |            |           |          |       |

|               | Year      | Household survey | Local market survey | Consumer Price Index |
|---------------|-----------|------------------|---------------------|----------------------|
| Benin         | 1999-2000 |                  | √                   |                      |
| Côte d'Ivoire | 2002      | √ -              |                     |                      |
| Gambia        | 1998      |                  |                     | $\checkmark$         |
| Ghana         | 2005/06   | V                |                     |                      |
| Guinea        | 2002/03   | √                |                     |                      |
| Guinea-Bissau | 2002      | $\checkmark$     |                     |                      |
| Liberia       | 2000      |                  | $\checkmark$        |                      |
| Mali          | 2001/02   |                  | $\checkmark$        |                      |
| Niger         | 2005      | √                |                     | √                    |
| Nigeria       | 2003/04   |                  | √                   | √                    |
| Senegal       | 2001/02   | <b>√</b>         |                     |                      |
| Sierra Leone  | 2003/04   |                  | $\checkmark$        |                      |
| Togo          | 1987-89   |                  | √                   |                      |

Sources: Compiled from individual country profiles.

#### Adjustments for cost of living

Some countries adjusted the household expenditure for differences in cost of living at different points in time or across regions. In Côte d'Ivoire (2002) price deflators for each stratum of the sample, relative to Abidjan prices, were used. In Nigeria, regional and seasonal differences in prices of goods were taken into account for the 2003/04 household survey that collected data for one year, and all prices were adjusted to correspond to a particular month, January 2004. Similarly, in Sierra Leone, all the prices collected in the 2003/04 household survey were adjusted to prices as of May 2003 and converted to a regionally weighted national average. In Ghana (2005/06) the differences in the cost of living between different zones at one point in time were adjusted for and the variations in prices within the time periods covered by each survey were taken into account by using the Consumer Price Index (CPI) data. In Togo (1987-89) seasonal fluctuations in market prices were controlled for as well.

In order to adjust the poverty measures for differences in cost of living between certain types of localities, some countries calculated more than one poverty line. In Benin (1999-2000) and Niger (2005) two poverty lines were constructed, one for urban areas and one for rural areas. In the Gambia, Guinea, and Senegal poverty lines were calculated separately for the capital of the country, other urban areas, and rural areas. In Senegal, a different poverty line was also calculated for each wave of the 2001/02 survey. In Togo, multiple poverty lines, specific to the country's regions and types of locality, were set.

#### Adjustments for household composition

Persons of different ages and sex have different basic needs and therefore expenditure level can vary from one household to another simply because of differences in composition. In particular, for two households of the same size, the same amount of total expenditure might be enough to fulfil the basic needs of one household, but not enough for another, depending on the age and sex composition of the household. The international practice in computing poverty measures is to adjust the household expenditure for the age

and sex composition of households. Although earlier data on expenditure collected in the region were analysed on a per capita basis, for the latest available survey about half of the ECOWAS countries adjusted the household consumption by using equivalence scales: Benin, the Gambia, Ghana, Guinea-Bissau, Nigeria, Senegal, and Sierra Leone.

However, the scales adopted varied from the very simple ones differentiating only between an adult and a child, or between an adult male, an adult female, and a child, to the ones based on more categories defined by age and sex. For example, the equivalence scale used in Guinea-Bissau assigned one adult equivalent for persons over 15 years old and 0.5 adult equivalent for children under 15 years old. In Benin (1999-2000) the adult equivalent units assigned were one for men, 0.8 for women, and 0.5 for children less than 10 years old. On the other hand, the scales used recently by Ghana (1998/99) and Sierra Leone (2003/04) differentiated among 15 categories defined by age and sex, and the scale used by the Gambia (1998), as many as 17 categories (see country profiles).

#### **Poverty lines**

Countries in the ECOWAS region have used four types of approaches to set the poverty line for their latest available surveys. Three of these approaches generate absolute poverty lines-cost of basic needs, food energy intake, and one dollar a day—and the fourth, a relative poverty line. As in other less developed countries, absolute poverty lines were preferred in the ECOWAS region (table 3).

|                  | Year      | Cost of basic needs | Food energy<br>intake | One dollar<br>a day | Relative<br>poverty line |
|------------------|-----------|---------------------|-----------------------|---------------------|--------------------------|
| Benin            | 1999-2000 | <b>√</b>            |                       |                     |                          |
| Burkina Faso     | 2003      | <b>√</b>            |                       |                     | 47<br>12 - 12            |
| Cape Verde       | 2001/02   |                     |                       |                     | $\checkmark$             |
| Côte d'Ivoire 1) | 2002      |                     |                       |                     | $\checkmark$             |
| Gambia           | 1998      | $\checkmark$        |                       |                     |                          |
| Ghana            | 2005/06   | $\checkmark$        | *                     |                     |                          |
| Guinea           | 2002/03   | √                   |                       |                     |                          |
| Guinea-Bissau    | 2002      |                     |                       | $\checkmark$        |                          |
| Liberia          | 2000      |                     |                       | $\checkmark$        |                          |
| Mali             | 2001/02   |                     | $\checkmark$          |                     |                          |
| Niger            | 2005      | $\checkmark$        |                       |                     |                          |
| Nigeria          | 2003/04   |                     | $\checkmark$          | $\checkmark$        | $\checkmark$             |
| Senegal          | 2001/02   | √                   |                       |                     |                          |
| Sierra Leone     | 2003/04   | V                   |                       |                     |                          |
| Togo             | 1987-89   |                     | √                     |                     |                          |

Table 3. Types of approaches in setting the poverty line

Sources: Compiled from individual country profiles.

Note: 1) In Côte d'Ivoire a relative poverty line was defined for 1985 data. This poverty line, adjusted for changes in prices, was applied on data collected in the subsequent surveys — 1993, 1995, 1998, and 2002.

The cost of basic needs approach is lately favoured by eight out of 15 ECOWAS countries (table 3). In this approach poverty lines are calculated based on individual minimum caloric requirements and on baskets of food and non-food goods that are considered absolutely necessary. Households where individuals cannot afford to consume those minimum goods are considered poor.

For the countries using a cost of basic needs approach, an overall poverty line was constructed based on a food poverty line and a non-food component of the poverty line. The methods of calculating the food poverty line varied from one country to another. First, there was no common threshold for the minimum caloric intake (table 4). For countries using equivalence scales the minimum caloric requirement varied from 2,400 calories (Benin and Senegal) to 2,900 calories (Ghana) per adult equivalent per day. For countries measuring poverty on a per capita basis the caloric intake threshold was 2,100 calories per person per day in Guinea and Niger and 2,283 calories per person per day in Burkina Faso.

Second, the composition of the food basket varied across countries. The number of items included ranged from four (Burkina Faso) to 30 (Guinea). Several methods were used to choose the food basket

Table 4. Caloric threshold in countries using cost of basic needs approach to set the poverty line

|              | Year      | Caloric intake threshold<br>(calories per adult equivalen<br>per day) |
|--------------|-----------|---|
| Benin        | 1999-2000 | 2,400   |
| Senegal      | 2001/02   | 2,400   |
| Gambia       | 1998      | 2,700   |
| Sierra Leone | 2003/04   | 2,700   |
| Ghana        | 2005/06   | 2,900   |
|              |           | (calories per capita per day)   |
| Guinea       | 2002/03   | 2,100   |
| Niger        | 2005      | 2,100   |
| Burkina Faso | 2003      | 2,283   |

Sources: Compiled from individual country profiles.

in ECOWAS countries. For example, in Ghana and Sierra Leone the lists of products were selected from the food consumption pattern of the poorest population (defined as 50 per cent population and 20 per cent population, respectively, with the lowest expenditure per adult equivalent). In Niger and Senegal, however, the food basket chosen represented the consumption pattern of the population covering the middle of the expenditure distribution. In Niger, the food products selected covered 90 per cent of the food consumption of the households in the second to ninth deciles of per capita expenditure. In Senegal, the consumption of the households in the second to sixth deciles of per adult equivalent expenditure was analysed.

By contrast, in the Gambia, the selection of the food items was based on relative perceptions of living standards in the society, that is, items considered to provide a healthy diet at a relatively low cost.

The non-food component of the overall poverty line was also determined based on different methods. Most often countries used the average non-food expenditure of the households where the level of expenditure was around the food poverty line. This was the case of the Gambia, Ghana, Niger, Senegal, and Sierra Leone. In Sierra Leone a selected group of 19 items was used to calculate the average non-food expenditure per adult equivalent of the households with expenditures at the level of the food poverty line. A second method, applied in Benin and Burkina Faso, took into account the share of food expenditure in the total expenditure for households below the median value of expenditure (in Benin) or for households below the poverty line (in Burkina Faso). Yet, a third method was used in Guinea: the overall poverty line was calculated as a multivariate function of the food poverty line.

The food energy intake method was used in three ECOWAS countries — Mali (2001/02), Nigeria (2004, among other poverty lines), and Togo (1987-89). In this approach, the poverty line is calculated as the expenditure level at which the households are expected to fulfil a caloric requirement based on any combination of food goods. However, the same level of caloric intake does not mean the same purchasing power in real terms, this being a deficiency of the method. In Mali, the caloric threshold was set at 2,450

calories per person per day. In Nigeria, two caloric thresholds, of 2,900 and 2,100 calories per day per adult equivalent, were used for the upper and the lower food poverty lines. In Togo, three caloric thresholds were set at 1,990 calories per person per day for the main cities, 2,000 in secondary urban centres, and 2,080 in rural areas.

The overall poverty line was calculated as a function of the food poverty line. In Mali, the overall poverty line was calculated as 1.5 times the value of the food poverty line. In Togo, it was based on the share of food expenditure in three types of localities (main cities, secondary urban centres, and rural areas). In Nigeria, the upper poverty line (for the energy intake method) was calculated as the sum of the upper food poverty line and the average non-food expenditure of households with consumption levels around the food poverty line.

The one dollar a day poverty line was used by three ECOWAS countries—Guinea-Bissau (2002), Liberia (2000), and Nigeria (2004, among other poverty lines). In Guinea-Bissau, the upper poverty line was two dollars per adult equivalent per day and the lower poverty line was one dollar per adult equivalent per day. In Liberia, the one dollar per person per day threshold represented the upper poverty line, the lower poverty line being set at half a dollar per person per day. Nigeria used the one dollar a day threshold.

While most of the ECOWAS countries do not base their national estimates of poverty on the one dollar a day approach, the threshold is used by the World Bank to provide internationally comparable estimates. This is also the standard measurement proposed to assess progress towards the Millennium Development Goal on poverty. However, the one dollar a day approach has its limits, as poverty experts acknowledge that there is no association between this threshold and the ability of households to meet the basic needs (Expert Group on Poverty Statistics — Rio Group, 2006). Also, there are concerns with the calculations of the purchasing power parity (PPP) exchange rates used to achieve the comparability in prices from one country to another, in particular with the fact that PPPs are not poverty specific.

Although relative poverty lines were used by more countries in earlier poverty assessments, lately only three ECOWAS countries estimated poverty measures based on this approach — Cape Verde, Côte d'Ivoire, and Nigeria (among other poverty lines). The underlying view of this approach is that the poverty line should explicitly refer to the average situation of a particular society and not to an absolute threshold based on a minimum basket of goods, a caloric requirement, or one dollar a day cut-off point. The decision on who is poor and who is not is relative to the level of consumption in the country at the time of the survey. In Cape Verde, for the 2001/02 survey, the poverty line was 60 per cent of the mean per capita expenditure and the extreme poverty line was 40 per cent of the mean per capita expenditure. In Côte d'Ivoire, the poverty lines used in the last two decades were based on the consumption level of the 10th percentile (poorest decile) in the 1985 survey. The value of that relative poverty line had been updated from one survey to another for changes in prices over time, being used as an absolute poverty line. Nigeria also defined relative poverty lines up to 1996 and in 2004 the approach was used for consistency with previous measurements. The upper and lower relative poverty lines were set at two thirds and one third, respectively, of the national average expenditure. In Nigeria the relative poverty lines have been the basis for most of the poverty statistics generated and were, therefore, the basis for this cross-country overview.

# **Poverty profiles**

As the methods of data collection and the measurement of poverty were different from one country to another, and the household surveys have not been conducted at the same time, the following part of the report, based on national estimates, has limited use in terms of comparisons across countries. However, the poverty

rates<sup>5</sup> presented highlight common features in constructed country poverty profiles: national estimates of poverty and poverty trends, and socio-economic categories of population with higher risk of poverty. Such information is useful for understanding poverty and its policy implications in ECOWAS countries.

#### National estimates of poverty and poverty trends

According to the latest survey available for each country, and based on national poverty lines, the poor represented less than one third of the population in Benin, Ghana, and Togo, and more than one third of the population in Cape Verde and Côte d'Ivoire (table 5). About half of the population was living below the national poverty line in Burkina Faso, the Gambia, Guinea, Nigeria, and Senegal. Nearly two thirds of the population was poor in Guinea-Bissau and Niger, and more than two thirds of the population was poor in Mali and Sierra Leone. According to the national estimates, poverty depth varied from 0.096 (Ghana) to 0.314 (Mali) while severity of poverty varied from 0.045 (Togo) to 0.176 (Mali).

Table 5. Headcount index, poverty depth, and severity of poverty

|               | Year    | Headcount index (per cent) | Poverty depth | Severity of poverty |
|---------------|---------|----------------------------|---------------|---------------------|
| Benin         | 2003    | 29                         | 0.109         | 0.062               |
| Burkina Faso  | 2003    | 46                         | 0.156         | 0.071               |
| Cape Verde    | 2001/02 | 37                         | 0.136         | 0.066               |
| Côte d'Ivoire | 2002    | 38                         | 0.129         | 0.060               |
| Gambia        | 1998    | 47                         |               | 546                 |
| Ghana         | 2005/06 | 29                         | 0.096         | 0.046               |
| Guinea        | 2002/03 | 49                         | 0.172         | 0.081               |
| Guinea-Bissau | 2002    | 65 <sup>1)</sup>           | 0.250 1)      | 0.124 1)            |
| Liberia       | 2000    | 76 <sup>2)</sup>           | 344           |                     |
| Mali          | 2001/02 | 68                         | 0.314         | 0.176               |
| Niger         | 2005    | 62                         | (85.          | ***                 |
| Nigeria       | 2003/04 | 54                         | 0.218         | 0.119               |
| Senegal       | 2001/02 | 57                         | 0.183         | 0.079               |
| Sierra Leone  | 2003/04 | 70                         | 0.290         | 0.160               |
| Togo          | 1987-89 | 32                         | 0.100         | 0.045               |

Sources: Compiled from individual country profiles.

Notes: Two dots (..) indicate that information is not available.

Based on estimates available for the last two decades, comparable within each country, poverty increased in Côte d'Ivoire and the Gambia, decreased in Cape Verde, Ghana, Guinea, Mali, and Senegal, and remained about the same in Benin and Burkina Faso (table 6). Regarding the countries with poverty

<sup>1)</sup> The values for Guinea-Bissau correspond to the two-dollar a day threshold. For the one-dollar a day threshold in 2002 Guinea-Bissau had 21 per cent poverty rate, 0.053 poverty depth, and 0.021 severity of poverty.

<sup>2)</sup> The poverty rate for Liberia was calculated in terms of households and not persons.

<sup>&</sup>lt;sup>5</sup> Poverty rates (or headcount index or poverty incidence) presented in this overview correspond to the upper poverty lines estimated by countries. Depending on the country, the lower poverty lines are related to extreme poverty, core poverty, or food poverty (see country reports).

increase, in the Gambia, the headcount index increased 1.38 times between 1992/93 and 1998, and in Côte d'Ivoire, where estimates are available for more than two points in time, a large increase in poverty took place between 1985 and 1993 with the headcount index rising more than three times.

Among the countries that showed declining poverty rates, Ghana, Cape Verde, and Guinea had the largest decrease. In Cape Verde, the poverty rate decreased from 49 per cent to 37 per cent over a 14-year period, while in Ghana, a similar decline in poverty was achieved in each of the two seven-year intervals in between the last three surveys. Thus, overall, the poverty rate decreased in Ghana from 52 per cent in 1991/92 to 29 per cent in 2005/06. In Guinea, the decrease in poverty from 63 per cent to 49 per cent was achieved over an interval of eight years, between 1994/95 and 2002/03. A relatively large decrease in poverty was noted for Senegal, while Mali recorded only a small change (table 6).

Table 6. Trends in headcount index, 1985 to 2004

|               | Approach in                            | Headcount index by year of survey 1) (per cent) |                 |                 | Ratio of headcount indices 2) (current survey/ previous survey) |                 |                 |                 |
|---------------|--|---|-----------------|-----------------|---|-----------------|-----------------|-----------------|
|               | setting the poverty line               | 1985<br>to 1989                                 | 1990<br>to 1994 | 1995<br>to 1999 | 2000<br>to 2004   | 1990<br>to 1994 | 1995<br>to 1999 | 2000<br>to 2004 |
| Benin         | Cost of basic needs                    |   |                 | 29              | 29  |                 |                 | 0.97            |
| Burkina Faso  | Cost of basic needs                    |   | 45              | 45              | 46  |                 | 1.02            | 1.02            |
| Cape Verde    | Relative poverty<br>line <sup>3)</sup> | 49  | ***             |                 | 37  |                 | 900             | 0.75            |
| Côte d'Ivoire | Relative poverty<br>line <sup>4)</sup> | 10  | 32              | 34              | 38  | 3.23            | 1.04            | 1.14            |
| Gambia        | Cost of basic needs                    |   | 34              | 47              |   |                 | 1.38            |                 |
| Ghana         | Cost of basic needs                    |   | 52              | 40              | 29  | ac.             | 0.76            | 0.72            |
| Guinea        | Cost of basic needs                    |   | •••             | 63              | 49  |                 | ***             | 0.79            |
| Mali          | Food energy<br>intake                  | 73  |                 | <b>30</b> 0     | 68  |                 |                 | 0.94            |
| Nigeria       | Relative poverty<br>line               | .46   | 43              | 66              | 54  | 0.92            | 1.54            | 0.83            |
| Senegal       | Cost of basic needs                    |   |                 | 68              | 57  | 200             |                 | 0.84            |

Sources: Compiled from individual country profiles.

Notes: Two dots (..) indicate that information is not available.

<sup>1)</sup> Only estimates based on comparable methodologies within each country were included. If a country had more than one comparable estimate in the same quinquennium the estimate closer to the end of the interval was chosen. In Ghana, the last survey was conducted outside of the 2000-2004 interval, in 2005/06.

<sup>2)</sup> A ratio greater than 1 indicates an increase in headcount index compared to the previous survey and a ratio smaller than 1 indicates a decrease in headcount index.

<sup>3)</sup> In Cape Verde a relative poverty line was defined for 2001/02 data. This poverty line, adjusted for changes in prices, was applied afterwards on 1988/89 data

<sup>4)</sup> In Côte d'Ivoire a relative poverty line was defined for 1985 data. This poverty line, adjusted for changes in prices, was applied on data collected in the subsequent surveys — 1993, 1995, 1998, and 2002.

Still, whether poverty increased or decreased in some countries is not an easy question to answer. On the one hand, some countries were not able to collect data for two points in time or they followed different methodologies in data collection and analysis. Thus, ECOWAS Poverty Profile could not present poverty trends for Guinea-Bissau, Liberia, Niger, Sierra Leone, or Togo. In addition, in Nigeria, the comparability of poverty statistics over time is limited by the use of relative poverty lines instead of absolute poverty lines. On the other hand, even if countries used the same approach in setting absolute poverty lines, differences in the coverage of surveys or in the construction of consumption aggregate, or poor adjustments for changes in prices from one survey to another, could have sizable effects on estimated poverty trends. For example, in the Gambia the poverty lines for both 1992/93 and 1998 surveys were initially established based on the same algorithm, following a cost of basic needs approach. These indicated a huge increase in poverty, about double the initial value. However, it was later observed that the poverty lines for the two surveys were very different in real prices, and a new poverty line had to be calculated for 1998 by adjusting the 1992/93 poverty line for differences in prices over time. Also, in Burkina Faso, initial estimates of the national statistical office indicated a small increase in the poverty rate between 1998 and 2003, from 45 per cent to 46 per cent. However, a World Bank poverty assessment adopted afterwards, in Burkina Faso's 2004 PRSP, covering only those products that were listed in the same manner in the two surveys, showed a decrease in the poverty rate, from 55 per cent to 46 per cent.

### Differences in poverty according to household group

Poverty estimates for different categories of the population are important for understanding who are the people most affected by poverty and social exclusion. In addition, continuous monitoring of poverty incidence for defined categories can show how each of them, in particular, is affected by economic and social changes or by policies. Most of the ECOWAS countries constructed poverty profiles for groups defined by rural/urban residence and regional location, household size, and socio-demographic characteristics of the household head.

#### Urban-rural differences in poverty

Based on the latest available country estimates, in all ECOWAS countries the rural population was more affected by poverty than the urban population (table 7). High rural poverty rates were recorded, for example, in Mali and Sierra Leone, where more than three quarters of the rural population was poor, and in Niger, Nigeria, and Senegal, where about two thirds of the rural population was poor.

In some countries, the differences in poverty between rural areas and urban areas were substantial. Poverty rates were more than three times higher in rural areas compared to urban areas in Ghana, and more than two times higher in Burkina Faso, Cape Verde, Guinea, and Mali (table 7). For example, in Ghana (2005/06) the poverty rate was 39 per cent in rural areas compared to 11 per cent in urban areas, and in Mali (2003) 81 per cent in rural areas compared to 33 per cent in urban areas.

In other countries rural residents were also more likely to be poor but the poverty rates were comparably high in both rural and urban areas. In Senegal, for example, in 2001/02, the poverty rate was 42 per cent in Dakar, 50 per cent in other urban areas, and 65 per cent in rural areas.

On the other hand, the main cities often have much lower poverty rates than the rest of the country (table 7). The gap between rural areas and the capital of the country was particularly high in Mali and Sierra Leone. In Mali (2001), the poverty rate was 28 per cent in Bamako, compared to 81 per cent in rural areas. In Sierra Leone (2003/04), Freetown had a 15 per cent poverty rate, compared to 70 per cent in other urban areas and 79 per cent in rural areas.

Table 7. Headcount index by type of locality

|                       |         |                  | Head             | count index (per | cent)         |                  |  |
|-----------------------|---------|------------------|------------------|------------------|---------------|------------------|--|
|                       | ,       | Urban            |                  |                  |               |                  |  |
|                       | Year    | National         | Capital          | Other urban      | Total urban   | Rural            |  |
| Benin                 | 2002    | 29               |                  |                  | 24            | 32               |  |
| Burkina Faso          | 2003    | 46               |                  |                  | 20            | 52               |  |
| Cape Verde            | 2001/02 | 37               |                  |                  | 25            | 51               |  |
| Côte d'Ivoire         | 2002    | 38               | 15               | 32               | 25            | 49               |  |
| Gambia                | 1998    | 47               | 21               | 48               | Sulugue, in a | 61               |  |
| Ghana                 | 2005/06 | 29               | 11               |                  | 11            | 39               |  |
| Guinea                | 2002/03 | 49               | 21               | 27               | 24            | 60               |  |
| Guinea-Bissau 1)      | 2002    | 65               | 52               | ***              | (me)          |                  |  |
| Liberia               | 2000    | 76 <sup>2)</sup> | 51 <sup>2)</sup> | 3)               |               | 86 <sup>2)</sup> |  |
| Mali                  | 2001/02 | 68               | 28               | 37               | 33            | 81               |  |
| Niger                 | 2005    | 62               | 27               | 56               |               | 66               |  |
| Nigeria <sup>4)</sup> | 2003/04 | 54               |                  | 3.00             | 43            | 63               |  |
| Senegal               | 2001/02 | 57               | 42               | 50               |               | 65               |  |
| Sierra Leone          | 2003/04 | 70               | 15               | 70               | 56            | 79               |  |
| Togo                  | 1987-89 | 32               | 17               |                  | y             |                  |  |

Sources: Compiled from individual country profiles.

Notes: Two dots (..) indicate that information is not available.

The share of rural poor among total poor varied from 62 per cent in Cape Verde to 92 per cent in Burkina Faso (table 8). As most of the poor in ECOWAS countries have been living in rural areas, rural development has become an important objective in all *Poverty Reduction Strategy Papers*. For example, it is considered that countries investing in agriculture would reduce under-nourishment, non-agricultural income generating activities would improve the access of people to sources of monetary income, and the development of rural infrastructure would create easier access to social services. As rural development encompasses a variety of strategies, further data on issues such as those enumerated need to be collected and analysed in order to better assess the effect of rural development policies.

<sup>1)</sup> Poverty rates for Guinea-Bissau are based on a poverty line of US\$2 a day per adult equivalent. For one US dollar a day per adult equivalent the poverty rate was 21 per cent at national level and nine per cent in the capital.

<sup>2)</sup> Poverty rates for Liberia were calculated in terms of households and not persons.

<sup>3)</sup> In Liberia urban, other than the capital, was divided into two types of settlements: county headquarters (75 per cent of the households were poor) and concession towns (86 per cent of the households were poor).

<sup>4)</sup> Poverty rates for Nigeria are based on a relative poverty line but similar values were estimated using the cost of basic needs and one US dollar a day approaches.

Table 8. Share of rural poor in total poor

|               | Year    | Share of rural poor<br>in total poor<br>(per cent) |
|---------------|---------|--|
| Burkina Faso  | 2003    | 92   |
| Cape Verde    | 2001/02 | 62   |
| Côte d'Ivoire | 2002    | 73   |
| Ghana         | 2005/06 | 86   |
| Guinea        | 2002/03 | 86   |
| Mali          | 2001/02 | 87   |
| Nigeria       | 2003/04 | 65   |
| Senegal       | 2001/02 | 65 <sup>1)</sup>                                   |
| Sierra Leone  | 2003/04 | 73   |

Sources: Compiled from individual country profiles.

**Note:** 1) The share of poor in Senegal was calculated in terms of households and not persons.

#### Poverty trends in rural and urban areas

In some ECOWAS countries urban poverty followed a similar trend to rural poverty. In Ghana and Senegal both urban and rural poverty decreased. In Ghana, between 1991/92 and 2005/06, the decline was considerable in both urban and rural areas, from 64 per cent to 39 per cent in rural areas and from 28 per cent to 11 per cent in urban areas. In Senegal, poverty reduction between 1994/95 and 2001/02 was substantial, declining from 71 per cent to 50 per cent in urban areas other than the capital and from 56 per cent to 42 per cent in Dakar. In rural areas, the decline was smaller, from 71 per cent to 65 per cent poor in the population. As a consequence, although overall poverty declined in Senegal, rural-urban inequality increased.

In the Gambia both urban and rural poverty increased, although the increase was larger for

rural areas (table 9). Thus, the Gambia experienced not only an increase in poverty but also an increase in urban-rural inequality. In Nigeria, both urban and rural poverty increased between 1993 and 1996, and decreased between 1996 and 2004. However, the decline in the poverty rate was higher for urban than for rural areas between 1996 and 2004.

Table 9. Trends in headcount index by type of locality, 1985 to 2004

|               |                | Heado           | Headcount index by year of survey <sup>1)</sup> (per cent) |                        |                 |       | Ratio of headcount index<br>(current survey/previous su |                            |                 |
|---------------|----------------|-----------------|--|------------------------|-----------------|-------|---|----------------------------|-----------------|
|               |                | 1985<br>to 1989 | 1990<br>to 1994  | 1995<br>to 1999        | 2000<br>to 2004 |       | 1990<br>to1994  | 1995<br>to 1999            | 2000<br>to 2004 |
| Benin         | Rural<br>Urban |                 |  | 23                     | 24<br>32        |       |   |                            | 1.01<br>0.96    |
| Burkina Faso  | Rural<br>Urban |                 | 51<br>10   | 51<br>17               | 52<br>20        |       |   | 1.00<br>1.59               | 1.03<br>1.21    |
| Côte d'Ivoire | Rural<br>Urban |                 |  | 42<br>23               | 49<br>25        |       |   |                            | 1.17<br>1.05    |
| Gambia        | Rural<br>Urban |                 | 41<br>40 <sup>3)</sup>                                     | 61<br>48 <sup>3)</sup> |                 |       |   | 1.49<br>1.20 <sup>3)</sup> |                 |
| Ghana         | Rural<br>Urban |                 | 64<br>28   | 50<br>19               | 39<br>11        | man ) |   | 0.78                       | 0.79<br>0.56    |

#### continued from the previous page

| . E     |       | Heado            | Headcount index by year of survey <sup>1)</sup> (per cent) |                  |                  | Ratio of headcount indexes 2) (current survey/previous survey |                 |                 |
|---------|-------|------------------|--|------------------|------------------|---|-----------------|-----------------|
|         |       | 1985<br>to 1989  | 1990<br>to 1994  | 1995<br>to 1999  | 2000<br>to 2004  | 1990<br>to1994  | 1995<br>to 1999 | 2000<br>to 2004 |
| Guinea  | Rural |                  |  | 82               | 60               | (ax   | 80              | 0.73            |
|         | Urban |                  |  | 18               | 24               | :M  | 53 <b>6.5</b>   | 1.34            |
| Mali    | Rural | 81               |  | 30.              | 81               | .**   |                 | 1.00            |
|         | Urban | 59 <sup>4)</sup> |  | 3.00             | 37 <sup>4)</sup> | 58.88   |                 | 0.614)          |
| Nigeria | Rural | 51               | 46   | 70               | 63               | 0.89  | 1.52            | 0.91            |
|         | Urban | 38               | 38   | 58               | 43               | 0.99  | 1.55            | 0.74            |
| Senegal | Rural |                  |  | 71               | 65               |   | 111             | 0.92            |
| i       | Urban |                  |  | 71 <sup>5)</sup> | 50 <sup>5)</sup> |   |                 | 0.70 5)         |

Sources: Compiled from individual country profiles.

Notes: Two dots (..) indicate that information is not available.

- 1) Only estimates based on comparable methodologies within each country were included. If a country had more than one comparable estimate in the same quinquennium, the estimate closer to the end of the interval was chosen. In Ghana, the last survey was conducted outside of the 2000-2004 interval, in 2005/06.
- 2) A ratio greater than 1 indicates an increase in headcount index compared to the previous survey. A ratio smaller than 1 indicates a decrease in headcount index.
- 3) Poverty trends for urban areas other than the capital in the Gambia. In Banjul poverty increased from 17 per cent to 21 per cent between 1992/93 and 1998.
- 4) Poverty trends for urban areas other than capital in Mali. In Bamako poverty decreased from 37 per cent to 28 per cent between 1988/89 and 2001/02.
- 5) Poverty trends for urban areas other than capital in Senegal. In Dakar poverty declined from 56 per cent to 42 per cent between 1994/95 and 2001/02.

In Guinea, Burkina Faso, Mali, and Côte d'Ivoire, rural and urban trends were divergent. For example, in Guinea between 1995 and 2002, rural poverty declined from 82 to 60 per cent and urban poverty increased from 18 to 24 per cent. As a consequence the gap between urban and rural poverty decreased in Guinea, although it remains substantial. The gap between urban and rural poverty also decreased in Burkina Faso, as a consequence of the increase in urban poverty while rural poverty remained about the same level. By contrast, in Mali, urban-rural inequality increased because only urban poverty declined while rural poverty remained at about the same level. In Côte d'Ivoire a slight increase in urban poverty combined with a more substantial increase in rural poverty also enlarged urban-rural inequality.

#### Regional differences in poverty

All ECOWAS countries are characterised by large regional disparities in poverty (table 10). For example, in Niger, in 2005, 19 per cent of the population was poor in the Diffa region compared to 80 per cent in the Maradi region. In Ghana, in 2005/06, 15 per cent of the population was poor in the Eastern region while 88 per cent was poor in the Upper West region.

Table 10. Regions with the highest and lowest headcount index

|                                  |           | Region <sup>1)</sup><br>highest head | with the<br>dcount index         | Region <sup>1)</sup> wit<br>lowest headcou |                                  |
|----------------------------------|-----------|--------------------------------------|----------------------------------|--|----------------------------------|
|                                  | Year      | Name                                 | Headcount<br>index<br>(per cent) | Name                                       | Headcount<br>index<br>(per cent) |
| Benin <sup>2)</sup> — urban      | 1999      | Aplahoue                             | 38                               | Abomey-Bohicon                             | 15                               |
| — rural                          | 1999/2000 | Borgou                               | 47                               | Zou  | 14                               |
| Burkina Faso                     | 2003      | North                                | 69                               | Center-North                               | 34                               |
| Cape Verde                       | 2001/02   | S.Antao Island                       | 54                               | Sal Island                                 | 13                               |
| Côte d'Ivoire                    | 2002      | West                                 | 64                               | South                                      | 30 <sup>3)</sup>                 |
| Gambia                           | 1998      | North Bank                           | 67                               | Western                                    | 45                               |
| Ghana                            | 2005/06   | Upper West                           | 88                               | Eastern                                    | 15                               |
| Guinea                           | 2002/03   | Upper Guinea                         | 68                               | Lower Guinea                               | 40                               |
| Guinea-Bissau <sup>4)</sup>      | 2002      | Oio                                  | 80                               | Biombo/Bulama                              | 63                               |
| Mali                             | 2001      | Koulikoro                            | 84                               | Kidal                                      | 34                               |
| Niger                            | 2005      | Maradi                               | 80                               | Diffa                                      | 19                               |
| Nigeria                          | 2004      | North East                           | 72                               | South East                                 | 27                               |
| Senegal                          | 2001/02   | Ziguinchor                           | 67 <sup>5)</sup>                 | Louga                                      | 36 <sup>5)</sup>                 |
| Sierra Leone                     | 2003/04   | Kailahun                             | 92                               | Pujehun                                    | 59                               |
| Togo <sup>2)</sup> — main cities | 1987-89   | Dapaong                              | 24                               | Atakpame                                   | 12                               |
| — small towns                    | 1988/89   | Maritime                             | 31                               | Plateaux                                   | 13                               |
| — rural                          | 1988/89   | Savanes                              | 69                               | Plateaux                                   | 12                               |

Sources: Compiled from individual country profiles.

#### Notes

- 1) Excluding the capitals of the countries.
- 2) Benin and Togo do not have the information for urban and rural combined.
- 3) Abidjan excluded.
- 4) Poverty rates for Guinea-Bissau are based on a poverty line of two US dollars a day per adult equivalent. For the one US dollar a day per adult equivalent, the region with the highest poverty rate was Oio (34 per cent) and the region with the lowest poverty rate was Biombo/Bulama (14 per cent).
- 5) The headcount index in regions of Senegal was calculated in terms of households and not persons.

In countries like Guinea-Bissau and Sierra Leone the regional differences in poverty rates appear lower because all the regions have high rates of poverty. The regional poverty rate ranged from 63 to 80 per cent in Guinea-Bissau (2002), and from 59 to 92 per cent in Sierra Leone (2003/04).

ECOWAS countries included the reduction of regional and local inequalities and disparities in development and poverty among the objectives stated in PRSPs, although the strategies implied are not yet clearly identified. For a few countries, like Benin, sound regional development is thought to be through promoting regional specialization and regional development hubs that would enable reduction of the spatial and socio-economic disparities (Commission Nationale pour le Développement et la Lutte contre la Pauvreté, 2002).

#### Poverty by household size

Large households were more likely to be poor in all ECOWAS countries as illustrated by the cases of Guinea and Niger in figure 1. The interpretation of the differences in poverty by size of household is limited by the fact that neither of the two countries adjusted the household consumption for economies of scale. Therefore large households may have lower expenditure per capita not because they are poorer but because they spend less per person to achieve the same living conditions. If adjustment for economies of scale were made the differences may have appeared less pronounced.

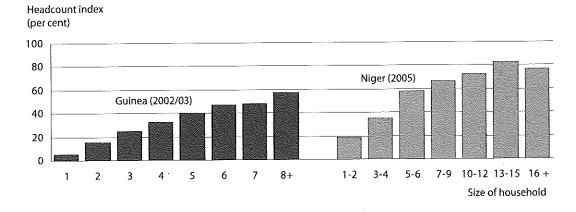


Figure 1. Headcount index by size of household in Guinea (2003/04) and Niger (2005)

Sources: Compiled from individual country profiles.

#### Occupational differences in poverty

All ECOWAS countries are characterised by large disparities in poverty between people living in households headed by a person with a low-skilled occupation and those living in households headed by a person with a highly-skilled occupation (table 11). For example, in Mali (2001/02) poverty rates varied from 21 per cent when the head was an employee in the public sector, to 84 per cent when the head was occupied in agriculture. In Burkina Faso (2003) poverty rates varied from four per cent when the head of the household was working in the public sector, to 56 per cent when the head was a food crop farmer.

Table 11. Groups based on occupation of the household head with the highest and lowest headcount index

|               |         | Group wi<br>highest headd                |                                  | Group with the lowest<br>headcount index        |                                  |  |
|---------------|---------|--|----------------------------------|---|----------------------------------|--|
|               | Year    | Occupation of the household head 1)      | Headcount<br>index<br>(per cent) | Occupation of the household head 1)             | Headcount<br>index<br>(per cent) |  |
| Burkina Faso  | 2003    | Food crop farmer                         | 56                               | Public sector employee                          | 4                                |  |
| Cape Verde    | 2001/02 | Low skilled worker                       | 41 <sup>2)</sup>                 | Officials, managers, professionals, technicians | 4 <sup>2)</sup>                  |  |
| Côte d'Ivoire | 2002    | Farm worker                              | 56                               | Public sector employee                          | 9                                |  |
| Gambia        | 1998    | Agriculture                              | 64                               | Employed in hotels and restaurants industry     | 12                               |  |
| Ghana         | 2005/06 | Food crop farmer                         | 46 <sup>3)</sup>                 | Public sector employee                          | 8 <sup>3)</sup>                  |  |
| Guinea        | 2002/03 | Subsistence<br>agriculture <sup>4)</sup> | 63                               | Private sector employee                         | 17                               |  |
| Liberia       | 2000    | Farming                                  | 88 <sup>2)</sup>                 | Professionals                                   | 58 <sup>2)</sup>                 |  |
| Mali          | 2001/02 | Agriculture                              | 84                               | Public sector employees                         | 21                               |  |
| Niger         | 2005    | Agriculture                              | 69                               | Administration                                  | 23                               |  |
| Nigeria       | 2003/04 | Agriculture<br>and forestry              | 67                               | Professionals,<br>technicians                   | 34                               |  |
| Senegal       | 2001/02 | Not economically active                  | 63 <sup>2)</sup>                 | Homemaker                                       | 41 <sup>2)</sup>                 |  |
| Sierra Leone  | 2003/04 | Agriculture                              | 83                               | Private employee                                | 31                               |  |

Sources: Compiled from individual country profiles.

Notes: Two dots (..) indicate that data are not available.

<sup>1)</sup> Nationally defined category.

<sup>2)</sup> Incidence of poverty is calculated in terms of households for Cape Verde, Liberia, and Senegal.

<sup>3)</sup> The poverty rates presented for Ghana are according to the main activity of the household.

<sup>4)</sup> In Guinea, self-employed animal breeders have the highest poverty rate (72 per cent), but the poor from this category represent only 0.6 per cent of total poor.

In all countries, the occupation in agriculture of the household head was associated with high levels of poverty. However, for countries with more disaggregated data, differences in poverty within the category of agriculture could be observed. In general, the poverty rate was lower when the head of the household was employed in an agricultural activity producing for export or local markets and generating monetary income. For example, in Burkina Faso (2003), the headcount index was 46 per cent for people living in households headed by a cash crop farmer, compared to 56 per cent when the household head was a food crop farmer. In Ghana (2005/06), the headcount index was 24 per cent when the household head was an export farmer, compared to 46 per cent when the household head was a food crop farmer. In Guinea (2002/03), the population in households headed by workers in agriculture producing goods for export or local markets was better off than the population with household heads working in subsistence agriculture or as herdsmen. The respective poverty rates were 44 per cent, 63 per cent, and 72 per cent (see country profiles).

In countries for which data exist, more than half of the poor were living in households headed by a person occupied in agriculture. For example, in Guinea (2002/03) 53 per cent of the poor of the country were living in households headed by subsistence farmers; in Ghana (2005/06) 69 per cent of the poor were living in households where the main economic activity was food crop farming; and in Mali (2001/02) 79 per cent of the poor of the country was living in households headed by a person working in agriculture, a stockbreeder, or a fisherman (see country profiles).

Poverty reduction policies in ECOWAS countries, as defined in their PRSPs, aim to increase access to sustainable employment that would guarantee income security. It is expected that the diversification of national economies and the development of industrial and service sectors would create more formal non-agriculture jobs. However, the process is slow in generating employment opportunities to meet the demands of large numbers of poor, especially when the poor have no formal education and no relevant qualifications. Thus, some of the countries in the region that rely largely on farming, considered it important to focus as well on increasing agricultural productivity, expanding livestock production, and the development of agricultural markets. These countries aim to improve the living conditions of the poor by assisting them with micro credit, training, and better access to land, and by promoting small-scale processing of farm products.

#### **Education and poverty**

Education is a key factor in explaining differences in poverty and an important tool in poverty reduction for the next generations. Less educated people have limited access to sources of income and are highly vulnerable to poverty. At the same time, poor children have lower access to school and their families spend less on their education. As in other parts of the world, in the ECOWAS region poverty rates are the highest for people living in households headed by a person with no education and the risk of poverty declines with an increase in the level of education (table 12). For example, in Nigeria (2003/04) the poverty rate was 69 per cent when the head of the household had no education, 49 per cent if the head completed primary school, and only 26 per cent if the head had post-secondary education. In Sierra Leone (2003/04) people living in households headed by a woman had a poverty rate of 72 per cent when the woman had no education and 28 per cent when the woman had secondary education. People living in households headed by a man had a poverty rate of 75 per cent if the man had no education and 17 per cent if the man had post-secondary education. As shown in the case of Sierra Leone, overall the level of education of the household head makes a bigger difference in the poverty status of people living in female-headed households than for those living in male-headed households.

|  |         | Headcount index (per cent) |              |                      |                                   |                         |  |  |
|--|---------|----------------------------|--------------|----------------------|-----------------------------------|-------------------------|--|--|
|  | Year    | All education categories   | No education | Primary<br>education | Secondary education               | Postsecondary education |  |  |
| Cape Verde 1)                                | 2001/02 | 28                         | 42           | 28                   | 6                                 | <1                      |  |  |
| Liberia 1)                                   | 2000    | 76                         | 81           | 82                   | 72 <sup>2)</sup>                  | 51                      |  |  |
| Nigeria                                      | 2003/04 | 54                         | 69           | 49                   | 44                                | 26                      |  |  |
| Senegal <sup>1)</sup>                        | 2001/02 | 49                         | 54           | 46                   | 26                                | 13                      |  |  |
| Sierra Leone — female<br>Sierra Leone — male | 2003/04 | 68<br>70                   | 72<br>75     | 58<br>63             | 28 <sup>2)</sup> 45 <sup>2)</sup> | <br>17                  |  |  |

Sources: Compiled from individual country profiles.

Notes: Two dots (..) indicate that data are not available.

School attendance rates for children were lower in poor households, as shown in the cases of Côte d'Ivoire, the Gambia, and Mali (see country profiles). For example, in Côte d'Ivoire in 2002, only 47 per cent of 6-11 year old children from poor households (53 per cent of boys and 41 per cent of girls) were attending primary school, compared to 67 per cent of children from non-poor households (70 per cent of boys and 63 per cent of girls). As another example, in Mali in 2001/02, only 31 per cent of 7-12 year old children living in extremely poor households were attending primary school, compared to 46 per cent of children living in poor households and 58 per cent of children from non-poor households.

Policies on poverty reduction in ECOWAS countries have integrated improvement in education among the main objectives, and education is one area in which all countries have invested. Although all levels of education are considered important quality basic education is the priority. Significant progress has been made in the last decade but more needs to be done to achieve universal access to basic education, particularly in rural areas.

#### **Gender and poverty**

It is recognised that the nature, causes, and consequences of poverty are different for men and women, yet gender is not well integrated in poverty analysis. And, although awareness about gender issues has lately increased, it is still difficult for countries to incorporate the gender dimension in their anti-poverty policies and to monitor the results (World Bank, 2002a). These are worldwide challenges and some ECOWAS countries aim to keep up with the latest developments in the area. But, most often, the gender dimension in poverty analysis is limited to the poverty rates of people living in households headed by women, as compared to people living in households headed by men. Based on this indicator, a first glance at the poverty profiles in the ECOWAS region shows that in most countries people living in female-headed households are better off (table 13). This apparently contradicts findings from other countries and the almost widely embraced view that women are more economically and socially vulnerable, and more likely

<sup>&</sup>lt; 1 indicates magnitude nil or less than half of the unit employed.

<sup>1)</sup> Incidence of poverty is calculated in terms of households for Cape Verde, Liberia, and Senegal.

<sup>2)</sup> In Liberia, the first cycle of secondary education (grades 7-9) is not included. In Sierra Leone junior secondary school is excluded and the poverty rate is based on senior secondary school only.

to be poor. Ideally the issue would require a more thorough analysis based on a well-planned collection of data to accommodate gender-specific questions on, for example, time-use or access to the formal job market, and to allow for a measurement of intra-household inequalities of consumption.

Table 13. Headcount index by sex of the household head

|                          |         |                                 | unt index<br>cent)            |
|--------------------------|---------|---------------------------------|-------------------------------|
| 5<br>2                   | Year    | Female-<br>headed<br>households | Male-<br>headed<br>households |
| Burkina Faso             | 2003    | 37                              | 47                            |
| Cape Verde <sup>1)</sup> | 2001/02 | 31                              | 26                            |
| Côte d'Ivoire            | 2002    | 35                              | 39                            |
| Ghana                    | 2005/06 | 19                              | 31                            |
| Guinea                   | 2002/03 | 43                              | 50                            |
| Guinea-Bissau            | 2002    | 56                              | 66                            |
| Liberia 1)               | 2000    | 69                              | 78                            |
| Mali 1)                  | 2001/02 | 42                              | 59                            |
| Niger                    | 2005    | 62                              | 62                            |
| Nigeria                  | 2003/04 | 44                              | 58                            |
| Senegal 1)               | 2001/02 | 37                              | 51                            |
| Sierra Leone             | 2003/04 | 68                              | 70                            |
| Togo                     | 1987-89 | 31                              | 33                            |

Sources: Compiled from individual country profiles.

**Notes:** 1) Headcount index calculated in terms of households and not persons.

However, for the time being, details of the constructed poverty profiles for ECOWAS countries bring some complexity into the debate beyond the "female-headed households are better off" discourse. Although at national level people from female-headed households are less likely to be poor (except in Cape Verde and Niger), in some cases the poverty level for people living in female-headed households might be higher than for people living in maleheaded households in specific regions and types of locality (in Côte d'Ivoire and Togo) or if the woman is young (in Sierra Leone) (see country profiles).

In Burkina Faso, Guinea, and Nigeria it was noted that female-headed households are smaller in size (see country profiles) so they do not benefit from economies of scale in the same way as the larger male-headed households. Part of the reason for the differences in poverty levels observed between male and female-headed households may be due to the fact that countries in the ECOWAS region did not adjust the household consumption for economies of scale.

In addition, some experts would argue

that the African household model is essentially different than that of Western countries. Part of what is defined as "female-headed household" is, in fact, a transitional stage of a household where the husband is away temporarily. Polygamy and migration of the male partner from one household to another as well as the temporary migration of the male for work, might have consequences not only on income structure but also on distribution of consumption within the household. While this type of hypothesis needs to be proved, the poverty profile of Sierra Leone, for example, brings some evidence that links civil status of the household head with poverty status. In 2003/04, the poverty rate was higher for people living in polygamous male-headed households than for those living in monogamous male-headed households; 75 per cent compared to 70 per cent, respectively. In addition, the poverty rate was higher for people living in de facto female-headed households than for those in de jure female-headed households; 73 per cent compared to 67 per cent. In Guinea, however, people living in de jure female-headed households had a

Or facto female-headed households refer to those headed by women whose male partner is away temporarily (for example, because of temporary migration for work or because of polygamy). De jure female-headed households refer to households headed by women with no partner.

slightly higher poverty rate than those in *de facto* female-headed households; 43 per cent compared to 40 per cent, respectively.

Not enough knowledge has yet been built to understand the role played by gender in the poverty dynamics for each country. Monetary-based measurements of poverty are forced to take into account entire households and not separate individuals. On the other hand, non-monetary indicators of poverty have been used to assess the status of women and to monitor the success of national policies. Such indicators would show, for example, that in ECOWAS countries, similar to other developing countries, school enrolment continues to be lower for girls than for boys, especially in secondary school; maternal mortality is still high; and access to public services, formal employment, or micro credit for enterprise development are still more difficult for women to obtain than for men.

# **Concluding remarks**

In summary, ECOWAS poverty profiles show that poverty rates are high in many of the countries and declining trends have been recorded only in some cases. Inequality is large and poverty is residentially and occupationally concentrated. Most of the poor live in rural areas, have no education, and work in agriculture. Thus, the information compiled in this report provides a basis for understanding poverty in the region, which can be further enriched by ECOWAS countries as they overcome the challenge of regularly collecting, analysing, and disseminating comparable and quality data on poverty and poverty-related factors. The review of national practices in producing such data, presented in this report, pointed to several difficulties that countries have faced so far. These difficulties are synthesised in the following paragraphs.

First, monitoring poverty on a regular basis requires continuous national political and institutional support as well as international technical and financial assistance. In the last two decades ECOWAS countries improved their capacity for planning and conducting poverty relevant surveys, analysing the data collected and using the results for policy-making. However, most of the countries in the region have not been able to conduct surveys on a regular basis and technical and financial assistance received from international agencies continued to play an important role. Delays in implementing the fieldwork, data processing, and dissemination of the results, were still noted for some of the latest surveys conducted. All these factors indicate that countries in the region do not yet have all the resources necessary to maintain durable poverty-monitoring systems.

Second, monitoring poverty trends has been particularly challenging. There have been changes in the methods of data collection and poverty measurement from one survey to another in each ECOWAS country. While these changes might have reflected adjustments to the latest international standards in poverty research, they have made the assessment of the impact of poverty reduction policies even more difficult. Only some of the countries in the region were able to adjust the data already collected in order to make the estimated poverty rates comparable. It is important, therefore, that future surveys are planned in such a way that both the comparability with previous surveys and new methods in poverty analysis developed at international level are taken into account. In addition, it is important that national statistical offices define socio-economic groups of interests and regularly assess how socio-economic changes and policies affect poverty incidence in these groups.

Third, comparisons across countries in the region are limited as national estimates of poverty are based on different measurement methodologies. Countries have different operational definitions of poverty, based on different views of what represents basic needs and how the fulfilment of these needs should be measured. Not all the items included in the consumption aggregate are the same. Only

some countries have used adjustments for regional differences in prices or for missing data and only a few of them have taken into account region-specific food consumption patterns. While many of the ECOWAS countries have recently preferred a cost of basic needs approach, there was no common caloric threshold and no common set of food items that would fulfil the minimum requirement for a healthy life. The cost of basic needs approach may become a solution for comparability in the region if the methodological differences can be reduced. Although basic needs are currently operationally defined in the region in various ways, the discrepancies may not be entirely justified by actual differences in patterns of consumption. Finding solutions towards harmonization in poverty statistics is the next step that countries would need to work on.

Fourth, the analytical capacity of ECOWAS countries needs to be improved on several counts. The current analytical capacity of some of the countries, as reflected in available national publications as well as in the current report, seems to be limited to a few statistics and indicators. More information should be included in the country poverty profiles in order to ensure a better link with policymaking and in order to assess the effects of implemented policies. Next, in some countries, data tends to be underused locally. Although the data collected allow for multivariate analysis, most of the time this is done by international users of data. And, while there might be local expertise to carry out such analyses, its visibility is low. In addition, some of the poverty issues considered important at the international level cannot yet be tackled with the data available in the ECOWAS region. This is the case of poverty dynamic analysis for which panel data are necessary. Such an analysis would show, for example, who are the people trapped in poverty and who are those that have managed to escape poverty, how long did it take, and what resources were necessary to make the leap from being below the poverty line to being above the poverty line. Although important, panel surveys are not yet part of the regular survey programmes in ECOWAS countries. Another example relates to the link between gender and poverty. The current practice in poverty measurement, focused on the household as a statistical unit, does not allow for a straightforward analysis of inequality of consumption based on gender. More detailed data on individual consumption, as well as data on other gender specific issues such as time use or access to formal income sources, would be needed in order to find out more about the allocation of resources by gender and the position of women within the household.

Fifth, the capacity of countries to disseminate information, nationally and regionally, needs to increase. Many of the publications on poverty produced in ECOWAS countries are driven by international programmes, agencies, and donors, and not always targeted to domestic users. Ensuring that the presentation of survey results and their policy implications are more accessible to the general public may increase local capacity to develop such analysis and publications and improve awareness of the issues among a broader segment of the population. This would be a further step towards making less wealthy people active agents in the process of poverty reduction. In addition, a wider dissemination of information in the region—not only data and publications on main results, but also survey instruments and methodological reports—would help the process of statistical integration in the ECOWAS region.

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# **COUNTRY PROFILES**

### **Benin**

Benin, a country with 6,769,914 inhabitants as of the 2002 Census (Institut National de la Statistique et de l'Analyse Economique, 2003), was ranked 163rd (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). The country adopted its first structural adjustment plan in 1989, at the end of a period characterised by economic and financial difficulties. Three other plans followed, in 1992, 1994, and 1997, before the country embarked on the Poverty Reduction Strategy framework. Stabilization and adjustment measures succeeded in reversing the negative trend of economic growth; from –2.9 per cent in 1989, the growth rate increased to 3.2 per cent in 1990 and 5.7 per cent in 1997, before declining to a still positive value of 3.9 per cent in 2003 (Commission Nationale pour le Développement et la Lutte contre la Pauvreté, 2002; Republic of Benin, 2004). Between 1996 and 2005 the average annual GDP growth was 4.8 per cent, placing Benin in the group of African countries with sustained growth over the period (World Bank, 2006c). The real GDP per capita (in 2000 US dollars) decreased from 292 in 1980 to 273 in 1990 and increased to 325 in 2003 (World Bank, 2006c).

Since its economic crisis in the 1980s the issue of poverty has become a matter of concern for the country's authorities and its development partners (Republic of Benin, 2000). In 1992, as part of its poverty reduction efforts, the Benin Government implemented the *Urgent Social Action Programme*, and, in 1994, it introduced a programme for the management of the social dimension of development. Poverty reduction and protection of vulnerable groups were clearly identified as additional objectives of the third structural adjustment plan (1995-1997). Furthermore, the national development plan for 1998-2002 had poverty reduction as an ultimate goal (United Nations Development Programme, 2000). In June 2000, Benin completed the interim *Poverty Reduction Strategy Paper* (PRSP) and two full PRSPs were completed in December 2002 and December 2004.<sup>7</sup>

The system for monitoring poverty in Benin, called the Social Change Observatory, was put in place in the 1990s and has since provided policy-makers with information on household living conditions and household responses to changes in the socio-economic environment (United Nations Development Programme, 2000). The Social Change Observatory continued to be central to the technical monitoring of PRSP implementation. However, the monitoring system of PRSPs needs to be strengthened, including in the area of poverty and household living conditions, as recognised by the country in its 2002 PRSP (Commission Nationale pour le Développement et la Lutte contre la Pauvreté, 2002).

# National household surveys for poverty assessment

Benin has conducted several surveys relevant for the measurement and analysis of monetary poverty. The first survey, the 1986/87 Consumption Budget Survey (EBC 1986/87), was conducted at national level (table BJ.1). During the 1990s, two series of separate surveys were designed for urban areas and rural areas, respectively. The Light Household Survey (ELAM), conducted by the National Institute of Statistics and Economic Analysis (INSAE), covered urban areas, and the Household Living Conditions in Rural Areas (ECVR) survey, coordinated by the Ministry of Rural Development (MDR), covered rural areas.

Under the Enhanced HIPC Initiative, Benin reached the decision point in 2000 and the completion point in 2002.

Table BJ. 1. Sources of data for poverty analysis in Benin, since 1985

| National Survey   |       | Year of survey           | Income<br>and<br>expenditure | Non-monetary<br>dimensions of<br>poverty | Subjective<br>evaluations<br>of poverty |
|---|-------|--------------------------|------------------------------|--|---|
| Consumption Budget Survey<br>(Enquête Budget Consommation)  | EBC   | 1986/87                  | <b>√</b>                     |  |   |
| Light Household Survey<br>(Les enquêtes légères auprès des<br>ménages)  | ELAM  | 1996, 1999 <sup>1)</sup> | √                            | √  |   |
| Study on Household Living Conditions<br>in Rural Areas<br>(Etude sur les Conditions de Vie des<br>ménages Ruraux)               | ECVR  | 1994/95,<br>1999/2000    | <b>√</b>                     | <b>√</b>                                 |   |
| Core Welfare Indicators Questionnaire<br>(Questionnaire unifié des indicateurs de<br>base du bien-être)                         | QUIBB | 2003                     | √                            | √  |   |
| Demographic and Health Survey<br>(Enquête Démographique et de Santé)  | DHS   | 1996, 2001,<br>2006      |                              | <b>V</b>                                 |   |
| Qualitative study on perceptions and<br>dimensions of poverty<br>(L'enquête sur la perception des<br>dimensions de la pauvreté) | EPPR  | 1993-96                  |                              |  | V                                       |

Sources: Benin National Institute of Statistics and Economic Analysis (Institut National de la Statistique et de l'Analyse Economique); Benin Ministry of Rural Development (Ministère du Développement Rural); World Bank, Africa Poverty Monitoring. Survey Navigator, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, IHSN Central Survey Catalog, accessed on 25 April 2007 at <a href="https://www.internationalsurveynetwork.org">www.internationalsurveynetwork.org</a>; International Monetary Fund, General Data Dissemination System (GDDS), accessed on 25 April 2007 at <a href="https://dsbb.imf.org/Applications/web/gdds/gddswhatgdds/">https://dsbb.imf.org/Applications/web/gdds/gddswhatgdds/</a>.

**Note:** 1) Other ELAM surveys were conducted in 1990/91, 1992, 1993, and 1994, but they did not include a module on income and expenditure. The 1995 ELAM survey was used as a pilot for the expenditure module.

ELAM surveys have been conducted in urban areas annually, but a consumption expenditure module was added only for the surveys conducted in 1996 and 1999. The first series of ELAMs, conducted over the period 1990-1994, aimed to analyse the characteristics of urban households, particularly vulnerable groups from disadvantaged neighbourhoods, during the period of structural adjustment. The 1995 ELAM survey served as a pilot for a module on consumption expenditures. Based on this experience the 1996 ELAM collected data on expenditure, which was used to derive the first urban profile of monetary poverty in Benin. The 1996 ELAM covered five cities—Cotonou, Porto-Novo, Parakou, Abomey, and Bohicon—and the 1999 ELAM extended the coverage to six additional cities—Kandi, Natitingou, Djougou, Ouidah, Lokossa, and Aplahoué. The 1996 and 1999 ELAMs used questionnaire modules different from the previous surveys, obtaining information specific to consumption and economic activities of household members, as well as contextual socio-economic information.

The Study of Household Living Conditions in Rural Areas (ECVR) took place in 1994/95 and 1999/2000. Data were collected at several levels: (a) village level—listing of the rural households as well as information on infrastructure and access to social and health services; (b) household and individual level—information referring to socio-demographic characteristics for all household members, information on household assets, cattle stock, household income, time use, expenditures on purchased items and consumption of home-produced goods and services, nutrition, health, and mortality, as well as household difficulties and coping strategies; and (c) points of sale at which prices for widely consumed food and non-food items were recorded.

The only other survey that collected data on income and expenditure at national level in Benin was conducted in 2003. It was based on the Unified Core Welfare Indicators Questionnaire (QUIBB) and included a module on expenditure.

Additional data on the non-monetary dimensions of poverty, such as education, nutrition, and health, were collected through three Demographic and Health Surveys (DHS), conducted in 1996, 2001, and 2006. Also, INSAE carried out a survey on the perceptions of the dimensions of poverty, implemented in rural areas in 1993 and in urban areas in 1996.

### **Poverty measurement**

Monetary poverty in Benin has been measured based on expenditure data and several types of poverty lines. One of the first studies on poverty in the country, conducted by Lachaud in 1994 and using data from the 1986/87 Consumption Budget Survey, employed both relative and absolute poverty lines. Data from the 1986/87 Consumption Budget Survey was also the basis for a poverty assessment conducted by the World Bank in 1994. The measurement of poverty used an absolute poverty line derived from the energy intake method (World Bank, 1994a).

A normative approach was applied to expenditure data collected in the first rounds of the ELAM and ECVR surveys. The poverty line was set based on a list of goods and services considered necessary for each community. The list varied according to community-specific values, habits, priorities, and living standards.

The latest poverty measurement used in Benin derives from the cost of basic needs approach. The methodology was applied to the data from the 1996 and 1999 ELAM and the 1994/95 and 1999/2000 ECVR. The steps in estimating poverty are presented in the following paragraphs.

### **Consumption aggregate**

The consumption aggregate included expenditures on food and non-food items and consumption of home-produced goods and services. In order to account for seasonal variations in consumption in rural areas, the ECVR data collection took place in four phases, each of a month's duration. A first visit was made in May, during the carry-over period (before harvest) in the south and the period of payment to producers for the sale of cotton in the north. A second visit was made in August, which corresponded to the carry-over period in the north and the first harvest season in the south. The third visit was in November, corresponding to the harvest season in the north, and the fourth, in February, corresponded to the post-harvest period of the second season in the south and the marketing of cotton in the north.

A scale of equivalence was adopted, with one adult male corresponding to one adult equivalent, one adult female to 0.8 adult equivalent, and a child under the age of 10 to 0.5 adult equivalent.

#### **Poverty lines**

Following the cost of basic needs approach the food poverty line was calculated based on the valuation of a basket of food goods (Commission Nationale pour le Développement et la Lutte contre la Pauvreté, 2002). The basket reflected the proportions of various food products consumed by the households in each specific environment. The minimum caloric requirement was set at 2,400 calories per adult equivalent per day. The total poverty line was determined based on the share of food expenditure in total expenditure for households with expenditure below the median of total expenditure. Based on this methodology, overall poverty lines were set as follows:

Table BJ. 2. Poverty lines, Benin, ELAM 1996 and 1999, and ECVR 1994/95 and 1999/2000

|             | Urban areas   | Rural areas    |   |  |  |
|-------------|---|----------------|---|--|--|
| Source data | Overall poverty line<br>(CFA francs per year per adult<br>equivalent) | Source data    | Overall poverty line<br>(CFA francs per year per<br>adult equivalent) |  |  |
| ELAM 1996   | 48,629  | ECVR 1994/95   | 42,075  |  |  |
| ELAM 1999   | 91,705  | ECVR 1999/2000 | 51,413  |  |  |

**Source:** Commission Nationale pour le Développement et la Lutte contre la Pauvreté, 2002, *Document de Stratégie de Réduction de la Pauvreté au Bénin (DSRP) 2003-2005*.

### Poverty profile

The poverty statistics produced based on the last two rounds of ELAM and ECVR surveys showed that, in Benin, poverty decreased in urban areas but increased in rural areas (table BJ.3). In urban areas, the headcount index declined from 29 per cent in 1996 to 23 per cent in 1999. In rural areas, the headcount index rose from 25 per cent in 1994/95 to 33 per cent in 1999/2000. Similar trends were observed for other poverty measures. Poverty depth and severity of poverty declined in urban areas and increased in rural areas (table BJ.3). Therefore, poverty disparities between urban areas and rural areas increased over the period.

Table BJ. 3. Headcount index, poverty depth, and severity of poverty, by type of locality, Benin, ELAM 1996 and 1999, ECVR 1994/95 and 1999/2000

|             |         | unt index<br>cent) | Poverty depth |           | Severity of poverty |           |
|-------------|---------|--------------------|---------------|-----------|---------------------|-----------|
|             | 1994-96 | 1999/2000          | 1994-96       | 1999/2000 | 1994-96             | 1999/2000 |
| Urban areas | 29      | 23                 | 0.091         | 0.070     | 0.041               | 0.030     |
| Rural areas | 25      | 33                 | 0.063         | 0.094     | 0.024               | 0.039     |

**Source:** Commission Nationale pour le Développement et la Lutte contre la Pauvreté, 2002, *Document de Stratégie de Réduction de la Pauvreté au Bénin (DSRP) 2003-2005*.

Note: Based on the overall poverty lines.

With regard to the geographical disparities in poverty, in 1999/2000, in rural areas, all of the departments in the north of the country (Borgou, Alibori, Atacora, and Donga) and, to a lesser degree, those in the Atlantique and Couffo regions, showed levels of poverty that were markedly higher than the average (table BJ.4). In urban areas, the towns/cities in the departments of Couffo, Atacora, and Ouémé, and to a lesser degree those of the Atlantique, Borgou, and Donga, were the poorest.

Table BJ. 4. Headcount index by department and by primary city, Benin, ECVR 1999/2000 and ELAM 1999

|            | Rural areas,<br>ECVR 1999/2000 | Urban areas,<br>ELAM 1999 |                               |  |  |  |
|------------|--------------------------------|---------------------------|-------------------------------|--|--|--|
|            | Headcount index (per cent)     | Town /city <sup>1)</sup>  | Headcount index<br>(per cent) |  |  |  |
| Borgou     | 47                             | Parakou                   | 25                            |  |  |  |
| Alibori    | 44                             | Kandi                     | 22                            |  |  |  |
| Atacora    | 44                             | Natitingou                | 34                            |  |  |  |
| Donga      | 42                             | Djougou                   | 25                            |  |  |  |
| Atlantique | 40                             | Ouidah                    | 27                            |  |  |  |
| Couffo     | 37                             | Aplahoué                  | 38                            |  |  |  |
| Plateau    | 32                             |                           |                               |  |  |  |
| Collines   | 28                             |                           | •                             |  |  |  |
| Ouémé      | 25                             | Porto-Novo                | 32                            |  |  |  |
| Mono       | 14                             | Lokossa                   | 15                            |  |  |  |
| Zou        | 14                             | Abomey-Bohicon            | 15                            |  |  |  |
| Littoral   |                                | Cotonou                   | 20                            |  |  |  |
| All areas  | 33                             | All urban areas           | 23                            |  |  |  |

**Source:** Commission Nationale pour le Développement et la Lutte contre la Pauvreté, 2002, *Document de Stratégie de Réduction de la Pauvreté au Bénin (DSRP) 2003-2005*, annex IV, pages 94-95, tables 1 and 3.

Notes: Based on the overall poverty lines.

Two dots (..) indicate that information is not available.

1) The towns/cities in the table correspond to the departments listed.

More recently, the INSAE estimated poverty rates at national level for 1999/2000 and 2003. The sources of data were the 1999/2000 ECVR, 1999 ELAM, and 2003 QUIBB surveys. These estimates showed that poverty remained about the same at the national level, 29 per cent in 1999/2000 and in 2003 (table BJ.5). During the period, the rural poverty rates decreased slightly from 33 per cent to 32 per cent, while the urban poverty rates increased slightly from 23 per cent to 24 per cent. However, poverty depth and severity of poverty increased at the national level, as well as in urban and rural areas (table BJ.5).

| Table BJ. 5. Headcount index, poverty depth, and severity of poverty, by type of locality, |
|--|
| Benin, ELAM 1999, ECVR 1999/2000, and QUIBB 2003   |

|             | Headcount index<br>(per cent) |      |       | Poverty depth |       | Severity of poverty |       |
|-------------|-------------------------------|------|-------|---------------|-------|---------------------|-------|
|             | 1999/2000                     | 2003 |       | 1999/2000     | 2003  | 1999/2000           | 2003  |
| Urban areas | 23                            | 24   | 37111 | 0.069         | 0.107 | 0.030               | 0.069 |
| Rural areas | 33                            | 32   |       | 0.094         | 0.110 | 0.039               | 0.058 |
| All areas   | 29                            | 29   | 2     | 0.084         | 0.109 | 0.035               | 0.062 |

**Source:** Institut National de la Statistique et de l'Analyse Economique, 2003, *QUIBB survey*, cited by Republic of Benin, 2004, *Program for Strengthening the Observatory of Social Change, Progress Report on the Implementation of the PRSP* 2003, page 17, table 1.1.1.

Note: Based on the overall poverty lines.

The analysis carried out by INSAE showed that if the trend in poverty rates continued, the MDG target of reducing the incidence of poverty by half by 2015 would not be achieved (Republic of Benin, 2004).

### **Concluding remarks**

Poverty statistics have been compiled in Benin during the last two decades, although at irregular intervals and based on different data collection and poverty measurement methods. The two main surveys conducted in the 1990s—ELAM and ECVR—were specific to urban areas and rural areas respectively. As suggested in Benin's 2002 PRSP, there is a need to review the survey methodologies used and to conduct national poverty surveys that would cover both urban and rural areas in order to provide more consistent data, comparable between the two types of localities, and a more reliable national poverty profile.

The methodology for estimating poverty has changed over time from a relative threshold to a normative threshold and to a cost of basic needs approach. The comparison of statistics over time is limited and therefore the possibility for assessing progress in poverty reduction is severely constrained. On the other hand, the recent adoption by the country of absolute poverty lines, based on the cost of basic needs approach, brings the methodology in line with current international standards in poverty research.

Finally, available official publications on poverty in Benin contain limited information on some of the elements required in estimating poverty, such as the construction of the consumption aggregate. In addition, the poverty profiles made available in these publications were limited to the geographical location of the household. Poverty statistics disaggregated by socio-economic characteristics of the household head, although produced and analysed in some international publications, were not available from official national sources. More detailed poverty profiles, updated with each successive survey, are needed in order to determine how different groups of population are affected by measures of poverty reduction and what future policies should be designed.

# **Burkina Faso**

Burkina Faso, a country with an estimated population of 12,802,282 in 2005 (United Nations, 2007), was ranked 174th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). Since 1991, Burkina Faso has implemented a series of stabilization and structural adjustment programmes supported by the World Bank, the International Monetary Fund, and other development partners. A relatively good macroeconomic performance followed. Between 1996 and 2005, the average annual GDP growth was 4.6 per cent, placing Burkina Faso in the group of African countries with sustained growth over the period (World Bank, 2006c). The real GDP per capita (in 2000 US dollars) increased from 192 in 1980, to 205 in 1990, and 248 in 2004 (World Bank, 2006c).

In 2000 Burkina Faso launched a programme of poverty reduction with support from the Enhanced HIPC Initiative and loan commitments from the World Bank and International Monetary Fund under the *Poverty Reduction and Growth Facility* (PRGF). The first *Poverty Reduction Strategy Paper* (PRSP) was completed in May 2000, and the second PRSP in July 2004.<sup>8</sup>

The first PRSP of the country drew its poverty statistics from household surveys conducted in the 1990s, while the second PRSP benefited from additional poverty statistics generated after 2000. The strategy for further improvement in poverty monitoring proposed by the 2000 PRSP is focused on consolidating the existing system of surveys by ensuring the availability and reliability of indicators, particularly of poverty statistics, on a regular basis.

### National household surveys for poverty assessment

In Burkina Faso, the measurement and analysis of monetary poverty has been based on three main sources: two Priority Surveys (EP-I, conducted from October 1994 to January 1995, and EP-II, conducted from May to August of 1998) and a Burkina Faso Household Living Standards Survey (EBCVM), conducted from April to July of 2003.

Data on non-monetary dimensions of poverty, such as education, health, employment, and access to basic social services, were also collected in Burkina Faso, after 1990. Three Demographic and Health Surveys (DHS) were conducted in 1992/93, 1998/99, and 2003 and two Multiple Indicator Cluster Surveys (MICS) in 1996 and 2006. A Core Welfare Indicators Questionnaire (CWIQ) was implemented in conjunction with the 2003 EBCVM, and a second CWIQ survey was carried out in 2005. Since 2000 Burkina Faso has also conducted on a regular basis surveys on Public Expenditures and Access to Basic Social Services. Data on subjective evaluations of poverty were collected through two participatory poverty assessment exercises conducted in 1998 and 2003.

### **Poverty measurement**

In Burkina Faso, monetary poverty has been measured based on expenditure data and absolute poverty lines derived from the cost of basic needs approach. The three surveys relevant for the analysis of monetary poverty — the 1994/95 EP-I, 1998 EP-II, and 2003 EBCVM — followed relatively similar methods of data collection. The poverty lines were established in 1994/95 (EP-I) and updated for changes in prices for the two successive surveys (1998 EP-II and 2003 EBCVM).

Under the Enhanced HIPC Initiative, Burkina Faso reached the decision point in 2000 and the completion point in 2002.

<sup>&</sup>lt;sup>9</sup> The information on poverty measurement included in this country profile is largely based on the report *La pauvreté en 2003* (Institut National de la Statistique et de la Démographie, 2003).

Table BF. 1. Sources of data for poverty analysis in Burkina Faso, since 1985

| National Survey  | el .  | Year of survey            | Income<br>and<br>expenditure | Non-monetary<br>dimensions of<br>poverty | Subjective<br>evaluations<br>of poverty |
|--|-------|---------------------------|------------------------------|--|---|
| Priority Survey<br>(Enquête Prioritaire)   | EP    | 1994/95, 1998             |                              | <b>√</b>                                 |   |
| Burkina Faso Household Living<br>Standards<br>(Enquête Burkinabé sur les<br>Conditions de Vie des Ménages) | EBCVM | 2003                      | √                            | √  |   |
| Core Welfare Indicators Survey   | CWIQ  | 2003, 2005                |                              | <b>√</b>                                 |   |
| <b>Demographic and Health Survey</b><br>(Enquête Démographique et de<br>Santé)                             | DHS   | 1992/93,<br>1998/99, 2003 |                              | √  |   |
| Multiple Indicator Cluster Survey  | MICS  | 1996, 2006                |                              | <b>V</b>                                 |   |
| Public Expenditures and Access to<br>Basic Social Services   |       | Since 2000                |                              | V  |   |
| Participatory Poverty Assessment   | PPA . | 1998, 2003                |                              |  | √                                       |

**Sources:** Burkina Faso National Institute of Statistics and Demographics (Institut National de la Statistique et de la Démographie); World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, <a href="https://www.internationalsurvey.etwork.org">IHSN Central Survey Catalog</a>, accessed on 25 April 2007 at <a href="https://www.internationalsurvey.etwork.org">www.internationalsurvey.etwork.org</a>.

#### Consumption aggregate

The three surveys collected information on assets, housing, non-agricultural economic activities, income, and expenditure. In the 2003 EBCVM the food expenditures were recorded for the last 15 days and the non-food expenditures for the last 30 days. The constructed consumption aggregate included monetary spending of the households as well as consumption from home-produced goods and services, user-values imputed for durable goods, imputed rent equivalent for own occupied dwellings, and transfers.

No equivalence scale was used to adjust the household expenditure for differences in the age and sex composition of the households.

#### **Poverty lines**

The absolute poverty lines used to measure poverty in Burkina Faso were derived from the cost of basic needs approach. To calculate the food poverty line, the minimum nutritional requirement was established at 2,283 calories per day per person. The food basket contained four essential items: millet, sorghum, corn, and rice. The non-food poverty line was determined by using the ratio of food expenditure to non-food expenditure.

The first survey on expenditure, the 1994/95 EP-I, set the poverty line at 41,099 CFA francs per person, per year. This threshold formed the basis for establishing the poverty lines for the 1998 EP and 2003 EBCVM, taking account of the variations in price levels and the change in patterns of consumption of essential goods. Thus, the thresholds were set at 72,690 CFA francs in 1998 and 82,672 CFA francs in 2003. The poverty threshold in 2003 represented approximately one fourth of the minimum wage in Burkina Faso (345,732 FCFA/year) and approximately two fifths of the international poverty line of one US dollar per day per person.

The use of these poverty lines indicated that between 1994/95 and 2003, there was no decline in the poverty level in Burkina Faso. The headcount index was estimated at about 45 per cent in 1994/95 and 1998 and 46 per cent in 2003. The attempt to explain the paradox of the country, characterised by good macroeconomic performance over the period, led to the highlighting of some sources of biases in the poverty assessments (Ponty, 2007; Grimm and Günther, 2007). In summary, the three surveys were conducted during different seasons, the recall (reference) period for the items consumed was not exactly the same, and the number of items included in the consumption aggregate varied. The data in the 1994 survey were collected during the post-harvest period (October-January), while the 1998 and 2003 data were collected during the carry-over (before harvest) period (May-August). The variation in the prices of certain widely-used products, particularly cereals, and the difference in levels of consumption between these two periods, are often the most pronounced of the year. These differences diminished the comparability of the 1994 results with those obtained from the two most recent surveys.

A review of poverty measurement in Burkina Faso, initiated by the World Bank, resulted in the construction of a new consumption aggregate for 1998 and 2003 covering only those products that were listed in the same manner in the two surveys (Burkina Faso, Ministry of Economy and Development, 2004). Such products covered 84 per cent of the food consumption and 88 per cent of the total declared consumption in 2003, and 92 per cent of food consumption and 93 per cent of total consumption in 1998. In order to obtain the same value of the headcount index as previously estimated by the Institut National de la Statistique et de la Démographie (INSD), a poverty threshold of 72,110 CFA francs at June 2003 prices in Ouagadougou was used. The 1998 headcount index re-estimated by the World Bank was 55 per cent, as compared to 45 per cent previously estimated by INSD. Therefore, in terms of poverty trends, the World Bank estimates showed a decline in the poverty rate in Burkina Faso between 1998 and 2003, from 55 per cent to 46 per cent (Burkina Faso Ministry of Economy and Development, 2004). However, the poverty trends for Burkina Faso presented in this report are extracted from the official national publications, which are based on the initial INSD estimates of poverty.

### Poverty profile

In 2003, Burkina Faso had a headcount index of 46 per cent, a poverty depth of 0.156, and a severity of poverty of 0.071. According to the national estimates, the poverty rate had barely increased, from 45 per cent in 1994 to 46 per cent in 2003. However, both poverty depth and severity of poverty increased over the period (table BF.2).

### Poverty by type of locality

People living in rural areas were more likely to be poor than those living in urban areas. In 2003, more than half of the rural population was poor, compared to about a fifth of the urban population. According to national estimates, differences in poverty between the two types of localities decreased from one survey to

<sup>&</sup>lt;sup>10</sup> The World Bank estimated a decline in the poverty rate in Burkina Faso, from 55 per cent in 1998 to 46 per cent in 2003; for rural areas, the decline was from 61 per cent to 52 per cent (Burkina Faso Ministry of Economy and Development, 2004).

Table BF. 2. Headcount index, poverty depth, and severity of poverty, by type of locality, Burkina Faso, 1994 to 2003

|             | Headcount index<br>(per cent) |      | , |       | th    | Severity of poverty |       |       |       |
|-------------|-------------------------------|------|---|-------|-------|---------------------|-------|-------|-------|
|             | 1994                          | 1998 | 2003                                    | 1994  | 1998  | 2003                | 1994  | 1998  | 2003  |
| Rural areas | 51                            | 51   | 52                                      | 0.161 | 0.157 | 0.179               | 0.070 | 0.068 | 0.082 |
| Urban areas | 10                            | 17   | 20                                      | 0.025 | 0.040 | 0.055               | 0.009 | 0.015 | 0.022 |
| All areas   | 45                            | 45   | 46                                      | 0.139 | 0.137 | 0.156               | 0.060 | 0.059 | 0.071 |

Source: Institut National de la Statistique et de la Démographie, 2003, Burkina Faso, la pauvreté en 2003.

another (table BF.2), as the increase in poverty in urban areas was more significant. The share of the rural poor in the total poor decreased slightly from 96 per cent in 1994 to 94 per cent in 1998 and to 92 per cent in 2003 (Institut National de la Statistique et de la Démographie, 2003).

#### Poverty by region

Geographical disparities in poverty were marked in Burkina Faso in 2003. Six out of the 13 administrative regions of the country had a high incidence of poverty, exceeding 55 per cent (Boucle du Mouhoun, South

Table BF. 3. Headcount index, distribution of poor, poverty depth, and severity of poverty, by administrative region, Burkina Faso, 2003 EBCVM

|                   | Headcount index<br>(per cent) | Distribution of poor (per cent) | Poverty depth | Severity of poverty |
|-------------------|-------------------------------|---------------------------------|---------------|---------------------|
| North             | 69                            | 13                              | 0.247         | 0.118               |
| South Central     | 66                            | 6                               | 0.260         | 0.135               |
| Boucle du Mouhoun | 60                            | 16                              | 0.213         | 0.096               |
| Central Plateau   | 59                            | 8                               | 0.203         | 0.095               |
| South West        | 57                            | 6                               | 0.175         | 0.073               |
| East Central      | 55                            | 10                              | 0.197         | 0.091               |
| West Central      | 41                            | 8                               | 0.141         | 0.068               |
| East              | 41                            | . 7                             | 0.123         | 0.053               |
| Cascades          | 39                            | 3                               | 0.146         | 0.074               |
| Sahel             | 37                            | 4                               | 0.126         | 0.058               |
| Hauts Bassins     | 35                            | 8                               | 0.106         | 0.045               |
| North Central     | 34                            | 6                               | 0.082         | 0.028               |
| Centre            | 22                            | 5                               | 0.071         | 0.029               |
| All regions       | 46                            | 100                             | 0.156         | 0.071               |

Source: Burkina Faso Ministry of Economy and Development, 2004, Poverty Reduction Strategy Paper..

Table BF. 4. Headcount index by socio-economic status of household head, Burkina Faso, EBCVM 2003

|                                      | Headcount index<br>(per cent) |
|--------------------------------------|-------------------------------|
| Food crop farming                    | -56                           |
| Cash crop farming                    | 46                            |
| Not economically active              | 35                            |
| Unemployed                           | 28                            |
| Self-employed non-farm workers       | 22                            |
| Informal private sector wage-earners | 15                            |
| Formal private wage-earners          | 11                            |
| Public sector wage-earners           | 4                             |
| All categories                       | 46                            |

**Source:** Jean-Pierre Lachaud, 2003, *Pauvreté et inégalité au Burkina Faso: Profil et dynamique*, cited by Burkina Faso Ministry of Economy and Development, 2004, *Poverty Reduction Strategy Paper*, page 23, table 5.

West, Central Plateau, North, East Central and South Central). These were also the regions with the highest poverty depth and severity of poverty (table BF.3). By contrast, three regions had a poverty incidence of less than 35 per cent (Centre, North Central, and Hauts Bassins).

The analysis of changes in poverty at regional level was not possible because of the different strata used in the sampling design for the 1994, 1998, and 2003 surveys (Burkina Faso Ministry of Economy and Development, 2004). The 1994 survey took into account the seven agro-climatic regions, and the 1998 survey was based on the 10 planning regions of the Ministry of Economy and Finance. The 2003 survey yielded results for the 13 administrative and planning regions of Burkina Faso (as presented in table BE.3).

For the purpose of comparison between 1998 and 2003, data from the two surveys were grouped by six agro-climatic areas. The analysis showed that the trends in poverty were very different from one part of the country to

another, reflecting the substantial change in the poverty map of Burkina Faso (Burkina Faso Ministry of Economy and Development, 2004). The headcount index decreased in the agro-climatic regions of the South, South-east, and North, and increased in South-Central, and, to a lesser extent, in the West.

### Poverty by socio-economic status of the household head

People living in households headed by a person working in agriculture had the highest poverty rates, particularly if the household head was a food crop farmer. In 2003, the headcount index was 56 per cent when the household head was a food crop farmer and 46 per cent when the head was a cash crop farmer (table BF.4). By contrast, people living in households headed by wage earners were less likely to be poor. The headcount index was as low as four per cent for people living in households headed by an employee of the public sector (table BF.4).

Table BF. 5. Headcount index, distribution of poor, poverty depth, and severity of poverty by sex of the household head, Burkina Faso, EBCVM 2003

| -                        | Headcount index<br>(per cent) | Distribution of<br>poor<br>(per cent) | Poverty depth | Severity of poverty |
|--------------------------|-------------------------------|---------------------------------------|---------------|---------------------|
| Female-headed households | 37                            | 4                                     | 0.127         | 0.057               |
| Male-headed households   | 47                            | 96                                    | 0.158         | 0.072               |

Source: Burkina Faso Ministry of Economy and Development, 2004, Poverty Reduction Strategy Paper.

#### Poverty by sex of the household head

People living in households headed by women were less likely to be poor than those living in households headed by men. The headcount index for people living in female-headed households in 2003 was 37 per cent compared to 47 per cent for those living in male-headed households. According to the Burkina Faso PRSP, 2004, the higher poverty for people living in male-headed households might be due to the fact that they tended to have more members. The methodology for poverty measurement did not take into account the effect of economies of scale, therefore the poverty rates for large households may be overestimated.

## **Concluding remarks**

Poverty statistics have been produced on a regular basis in Burkina Faso since 1990, following similar methods of data collection and poverty measurement. The availability of poverty statistics at the national level, as well as disaggregated according to the geographical location of the household and to the socio-economic characteristics of the household head, was crucial in understanding poverty in Burkina Faso. However, the assessment of poverty trends needs further development, as recognised by the country in the 2004 PRSP (Burkina Faso Ministry of Economy and Development, 2004).

The poverty measurement has been based on cost of basic needs approach, thus taking into account some of the latest international standards in poverty research. Yet, no equivalence scale was used in the official national estimates of poverty. Although it is important to maintain comparability with previous poverty statistics, future assessments would be enriched by taking into account the effect of specific age and sex composition of the households on expenditure.

# **Cape Verde**

Cape Verde counted 436,863 people at the 2000 Census, of which more than half were living in urban areas (Instituto Nacional de Estatística, 2001). Spread over 10 mountainous islands and with the arable land accounting for only 10 per cent of the country's surface area, Cape Verde has few exploitable natural resources. Developing human capital—education, training, and health—is considered the most important venture, and its social indicators are favourable within the context of sub-Saharan Africa. The country was ranked 106th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006), the highest among the ECOWAS countries. Between 1996 and 2005 the average annual GDP growth was 6.5 per cent, placing Cape Verde in the group of African countries with sustained growth over the period (World Bank, 2006c). The real GDP per capita (in 2000 US dollars) increased significantly from 852 in 1990 to 1292 in 2004 (World Bank, 2006c).

Cape Verde has already achieved some of the Millennium Development Goals, such as those on universal primary education and improving maternal health. However, it is still far from reaching the MDGs target regarding poverty reduction (Republic of Cape Verde, 2004). In the last 15 years the Cape Verde Government has implemented several strategies on development and poverty reduction with the emphasis on strong and sustained economic growth through the promotion of income-generating activities and on support for the most vulnerable population groups by means of multi-sector programmes (Republic of Cape Verde, 2004). In September 2004, a *Growth and Poverty Reduction Strategy Paper* (*GPRSP*) was completed, integrating poverty reduction strategies with economic growth policies. An institutional framework for monitoring and evaluation of the GPRSP was put in place.

### National household surveys for poverty assessment

The main instrument for monitoring poverty in Cape Verde is a household survey collecting data on income and expenditure, which has been conducted only twice so far, in 1988/89 and 2001/02. A Demographic and Reproductive Health Survey, carried out in 1998 and a Core Welfare Indicators Questionnaire (CWIQ) survey, carried out in 2006, were added to the short list of surveys carried out in Cape Verde (table CV.1).

Table CV. 1. Sources of data for poverty analysis in Cape Verde, since 1985

| National Survey                               |          | Year of survey | Income<br>and<br>expenditure | Non-monetary<br>dimensions of<br>poverty |
|---|----------|----------------|------------------------------|--|
| Income and Expenditure Household<br>Survey    | IDRF     | 1988/89        | <b>√</b>                     |  |
| Household Budget Living Conditions<br>Survey  | IDRF/EBC | 2001/02        | √                            | √  |
| Core Welfare Indicators Questionnaire         | CWIQ     | 2006           |                              | √  |
| Demographic and Reproductive<br>Health Survey |          | 1998           |                              | √  |

**Sources:** Cape Verde National Statistics Institute (Institut National de la Statistique du Cap Vert); World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, <a href="https://www.internationalsurvey.org">IHSN Central Survey Catalog</a>, accessed on 25 April 2007 at <a href="https://www.internationalsurvey.org">www.internationalsurvey.org</a>.

#### **Poverty measurement**

In Cape Verde, monetary poverty was measured based on expenditure data collected in the 1988/89 Income and Expenditure Household Survey (IDRF 1988/89) and the more recent 2001/02 Household Budget Living Conditions Survey (IDRF 2001/02). Poverty statistics were obtained by applying relative poverty lines to both the 1988/89 and 2001/02 sets of data. However, in order to analyse changes in poverty over time, the poverty line defined in 2001/02, adjusted for differences in prices over time, was used to re-estimate poverty statistics for 1988/89.

#### Consumption aggregate

The consumption aggregate constructed for 2001/02<sup>11</sup> included expenditures on food and non-food items and the value of home produced food and services. Rental-equivalent expenditures were also included for owned dwellings, while investment expenditures, such as spending for new construction and add-ons to buildings, were excluded.

No equivalence scale was used to adjust the household expenditure for differences in age and sex composition of the households.

#### **Poverty lines**

Based on a relative poverty line approach in 2001/02, the upper poverty line that defines the overall poor was set at 43,250 Cape Verde Escudo per year per capita, representing 60 per cent of the average per capita expenditure. The lower poverty line (defining the extreme poor) was 40 per cent of the average per capita expenditure, that is, 28,833 Cape Verde Escudo per capita per year.

In order to analyse poverty trends the poverty measures for 1988/89, previously estimated based on relative poverty thresholds as well, were re-estimated using the poverty lines of 2001/02 adjusted for the changes in prices between 1988/89 and 2001/02. The change in measurement methodology was reflected in the values of poverty measures (table CV.2). For example, the value of the poverty rate for 1988/89 was shifted from 31 per cent (based on the 1988/89 relative threshold) to 49 per cent (based on the deflated 2001/02 poverty line).

### Poverty profile

Based on the 2001/02 poverty lines, the overall poverty rate decreased between 1988/89 and 2001/02 from 49 per cent to 37 per cent. The extreme poverty rate dropped from 32 per cent to 21 per cent. Poverty depth and severity of poverty also declined over the period (table CV.2).

### Poverty by type of locality

Rural households were much poorer than urban households (table CV.3). In terms of population, the headcount index for rural areas was twice as high as for urban areas, 51 per cent compared to 25 per cent and, for households, the poverty incidence was 2.5 times as high in rural areas as in urban areas, 42 per cent compared to 17 per cent. Poverty depth and severity of poverty were also higher in rural areas compared to urban areas (table CV.3).

 $<sup>^{11}</sup>$  No information is available regarding the comparability in the consumption aggregate for the 1988/89 and 2001/02 surveys.

Table CV. 2. Poverty measures, Cape Verde, IDRF 1988/89 and IDRF 2001/02

|                              | 760                                    | measures<br>988/89                             | Poverty measures<br>for 2001/02        |
|------------------------------|--|--|--|
| ,                            | using<br>1988/89 relative<br>threshold | using<br>2001/02 threshold<br>adjusted for the | using<br>2001/02 relative<br>threshold |
| Overall (upper) poverty line |  |  |  |
| Headcount index (per cent)   | 31                                     | 49   | 37                                     |
| Poverty depth                | 0.111                                  | 0.215  | 0.136                                  |
| Severity of poverty          | 0.050                                  | 0.119  | 0.066                                  |
| Extreme (lower) poverty line |  |  | time Wat                               |
| Headcount index (per cent)   | . 17                                   | 32   | 21                                     |
| Poverty depth                | 0.044                                  | 0.117  | 0.060                                  |
| Severity of poverty          | 0.014                                  | 0.054  | 0.024                                  |

Source: Institut National de la Statistique, 2004, Le profil de la Pauvreté au Cap Vert, IDRF 2001/2002.

Table CV. 3. Headcount index, poverty depth, and severity of poverty, by type of locality, Cape Verde, IDRF 2001/02

|             | Headcount index<br>(per cent of<br>population) | Headcount index<br>(per cent of<br>households) | Poverty depth | Severity of poverty |
|-------------|--|--|---------------|---------------------|
| Urban areas | 25   | - 17   | 0,05          | 0.02                |
| Rural areas | 51   | 42   | 0.16          | 0.08                |
| All areas   | 37   | 28   | 0.14          | 0.07                |

Source: Institut National de la Statistique, 2004, Le profil de la Pauvreté au Cap Vert, IDRF 2001/2002.

Note: Based on the overall poverty line.

### Poverty by island

Poverty disparities by island were significant. The headcount index varied from 13 per cent in the population of Sal Island to 54 per cent in the population of S. Antão Island (table CV.4). In terms of households, the incidence of poverty varied from 10 per cent (Sal Island) to 42 per cent (S. Antão Island). B. Vista was the island with the lowest poverty depth as well as severity of poverty. S. Antão Island recorded the highest headcount index with the highest poverty depth and severity of poverty.

Table CV. 4. Headcount index, poverty depth, and severity of poverty, by island, Cape Verde, IDRF 2001/02

| * 1         | Headcount index<br>(per cent of<br>population) | Headcount index<br>(per cent of<br>households) | Poverty depth | Severity of poverty |
|-------------|--|--|---------------|---------------------|
| S. Antão    | 54   | 42   | 0.16          | 0.08                |
| Fogo        | 42   | 34   | 0.12          | 0.06                |
| Brava       | 41   | 31   | 0.07          | 0.02                |
| S. Nicolau  | 40   | 28   | 0.10          | 0.05                |
| Maio        | 38   | 25   | 0.09          | 0.05                |
| Santiago    | 37   | 29   | 0.10          | 0.05                |
| S. Vicente  | 26   | 18   | 0.05          | 0.02                |
| B. Vista    | 15   | 11   | 0.03          | 0.01                |
| Sal         | 13   | 10   | 0.03          | 0.02                |
| All islands | 37   | 28   | 0.14          | 0.07                |

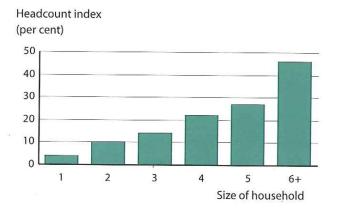
Source: Institut National de la Statistique, 2004, Le profil de la Pauvreté au Cap Vert, IDRF 2001/2002.

Note: Based on the overall poverty line.

#### Poverty by household size

Large households had a higher risk of poverty than small ones. <sup>12</sup> Four per cent of one-person households were poor in 2001/02 and the share increased steadily with the size of the household, up to 46 per cent for households with six or more persons (figure CV.1). The issue of economies of scale was, however, not taken into account in the poverty measurement in Cape Verde. Therefore, for example, the differences in poverty between the households smaller than five members and the households larger than six members may be overestimated.

Figure CV. 1. Headcount index by household size, Cape Verde, IDRF 2001/02



**Source:** Institut National de la Statistique, 2004, *Le profil de la Pauvreté au Cap Vert, IDRF 2001/2002*.

**Note:** Based on the overall poverty line.

<sup>&</sup>lt;sup>12</sup> For the national level all poverty measures were available on a per capita basis. The headcount index by type of locality and by island was also available in per capita terms. However, for household characteristics, such as the size or the socioeconomic status of the head, poverty measures were available only on a per household basis.

#### Poverty by education of the household head

Poverty was associated with the low level of education in Cape Verde. In 2001/02, 42 per cent of the households headed by a person with no education were poor, compared to 28 per cent when the head had integrated basic education, and six per cent when the head had secondary education (table CV.5). Households headed by less educated people also had higher poverty depth and severity of poverty (table CV.5).

Table CV. 5. Headcount index, poverty depth, and severity of poverty, by education of the household head, Cape Verde, IDRF 2001/02

|                             | Headcount index (per cent of households) | Poverty<br>depth | Severity<br>of poverty |
|-----------------------------|--|------------------|------------------------|
| No education                | 42                                       | 0.15             | 0.07                   |
| Integrated basic education  | 28                                       | 0.10             | 0.05                   |
| Secondary education         | 6  | 0.02             | 0.01                   |
| All categories of education | 28                                       | 0.14             | 0.07                   |

Source: Institut National de la Statistique, 2004, Le profil de la Pauvreté au Cap Vert, IDRF 2001/2002.

Note: Based on the overall poverty line.

#### Poverty by occupation of the household head

The incidence of poverty was as low as four per cent for households headed by executives, specialists, and technicians, and 13 per cent for households headed by people working in the armed forces, administrative staff, and machinery and service workers. By contrast, the incidence of poverty was 41 per cent among households headed by a low skilled worker (Institut National de la Statistique du Cap Vert, 2004).

Households headed by a person working in the primary sector had the highest poverty incidence (41 per cent), and the highest poverty depth (0.15) and severity of poverty (0.08) (table CV.6). By contrast, households headed by persons occupied in the tertiary sector had the lowest incidence of poverty, 19 per cent, as well as the lowest poverty depth (0.06) and severity of poverty (0.03) (table CV.6).

Table CV. 6. Headcount index, poverty depth, and severity of poverty, by economic sector of the household head, Cape Verde, IDRF 2001/02

|   | Headcount index (per cent of households) | Poverty<br>depth | Severity of poverty |
|---|--|------------------|---------------------|
| Primary sector                                  | 41                                       | 0.15             | 0.08                |
| Public administration                           | 31                                       | 0.12             | 0.06                |
| Secondary sector                                | 28                                       | 0.10             | 0.05                |
| Tertiary sector excluding public administration | 19                                       | 0.06             | 0.03                |
| All categories of economic sector               | 28                                       | 0.14             | 0.07                |

Source: Institut National de la Statistique, 2004, Le profil de la Pauvreté au Cap Vert, IDRF 2001/2002.

Note: Based on the overall poverty line.

#### Poverty by sex of the household head

Households headed by women had a higher poverty incidence than households headed by men in 2001/02, 31 per cent compared to 26 per cent, respectively. In addition, poverty depth and severity of poverty were slightly higher for female-headed households (table CV.7).

Table CV. 7. Headcount index, poverty depth, and severity of poverty, by sex of the household head, Cape Verde, IDRF 2001/02

|                          | Headcount index          |               |                     |
|--------------------------|--------------------------|---------------|---------------------|
|                          | (per cent of households) | Poverty depth | Severity of poverty |
| Female-headed households | 31                       | 0.11          | 0.05                |
| Male-headed households   | 26                       | 0.09          | 0.04                |

Source: Institut National de la Statistique, 2004, Le profil de la Pauvreté au Cap Vert, IDRF 2001/2002.

Note: Based on the overall poverty line.

### **Concluding remarks**

Compared to the other countries in the ECOWAS region, Cape Verde has conducted a limited number of surveys. Poverty statistics have been produced for only two points in time in the last two decades, at an interval of more than 10 years.

The country has not yet developed an absolute poverty threshold. Poverty measurement has so far been based on relative thresholds, although for comparison between the two income and expenditure surveys, a single set of thresholds, established in 2001/02 and adjusted for differences in prices over time, was applied. Moreover, no equivalence scale was used to account for differences in expenditure produced by specific age and sex composition of households.

Basic information on poverty measurement and poverty statistics was not available for this country's profile, either because such information was not disseminated or because it was not produced. For example, information on consumption aggregate was scarce. Also, poverty measures were presented on a per capita basis only at national level and disaggregated by type of locality and by island, while poverty measures by socio-economic characteristics of the household head were available only on a per household basis. Furthermore, although comparable estimates for 1988/89 and 2001/02 were produced at national level, information on changes in poverty rates for different categories of households over time was not available.

## Côte d'Ivoire

Côte d'Ivoire, with an estimated population of 19,096,988 in 2006 (United Nations, 2007), was ranked 164th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). The economy of the country has been based on agriculture, particularly on traditional export crops such as cocoa, coffee, oil palm, pineapples, sugar cane, cotton, and bananas. The country's economic downturn, which started in 1997, was further exacerbated by the military coup d'état in December 1999 and by a civil war that erupted in September 2002. A large mass of people was displaced and the country was divided in two, with the southern and the central regions controlled by the government and the northern and western regions controlled by the rebels. More recently a reconciliation process has been started and a first peace agreement was concluded in 2003.

The changes in the socio-political context of the country at the end of the 1990s were accompanied by economic decline. The GDP growth rate fell from 6.7 per cent in 1996 to 1.4 per cent in 1999 and then to –2.7 per cent in 2000. In 2003 and 2004, Côte d'Ivoire recorded negative growth rates of –1.6 per cent and –1.7 per cent, respectively. In 2004, as a result of the rise in tensions, many economic agents left the country and a considerable number of businesses either closed or relocated. Economic performance was not any better in 2005, as the suspension of international aid adversely affected growth targets. Côte d'Ivoire failed to achieve the projected one per cent growth, recording negative growth of –1.2 per cent instead. The real GDP per capita, already in decline in the 1980s, decreased further in the 1990s. From 924 in 1980 (in 2000 US dollars) the real GDP per capita dropped to 664 in 1998 and to 574 in 2004 (World Bank, 2006c).

Beginning in 1994 the Ivorian Government has implemented macroeconomic and structural reform programmes aiming to achieve a robust and balanced growth. An anti-poverty programme has been in place since 1997. An interim PRSP was completed in January 2002<sup>13</sup> and the monitoring system for the PRSP aims to ensure data collection through surveys on household living conditions, to be carried out every five years, and small-scale quantitative and qualitative monitoring surveys to be conducted each year (Republic of Côte d'Ivoire, 2002).

### National household surveys for poverty assessment

Côte d'Ivoire has a long and steady experience in gathering data relevant for poverty analysis. Expenditure and income data have been collected through four household surveys conducted in the second half of the 1980s and another four since 1990. These were multi-purpose surveys conducted as part of the Living Standard Measurement Study programme initiated by the World Bank in the 1980s. For example, the most recent one, the 2002 Living Standard Survey (ENV 2002), in addition to the expenditure module, included questions on the non-monetary dimensions of poverty and questions on subjective perceptions of poverty. Additional information on the non-monetary dimension of poverty in Côte d'Ivoire was also collected after 1990, through the 1992 Priority Survey (EP), three Demographic and Health Surveys (DHS), and two Multiple Indicator Cluster Surveys (MICS) (table CI.1).

### Poverty measurement

The four Living Standard Surveys conducted after 1990 (ENV 1993, ENV 1995, ENV 1998, and ENV 2002) followed the same methodology with regard to the method of data gathering, content, and form of the main questions and questionnaire sections. However, over time, the sampling and analysis strata were

<sup>&</sup>lt;sup>13</sup> In March 1998, Côte d'Ivoire reached the decision point under the original HIPC Initiative and the completion point was expected in 2001. However, in early 1999 the programme was interrupted.

Table Cl. 1. Sources of data for poverty analysis in Côte d'Ivoire, since 1985

| National Survey  |      | Year of survey            | Income<br>and<br>expenditure | Non-monetary<br>dimensions of<br>poverty | Subjective<br>evaluations of<br>poverty |
|--|------|---------------------------|------------------------------|--|---|
| Living Standard Survey<br>(Enquête sur le Niveau de Vie)                 | ENV  | 1993, 1995,<br>1998, 2002 | V                            | <b>√</b>                                 | 1                                       |
| Permanent Household Survey<br>(Enquête permanente auprès des<br>ménages) | EPAM | 1985, 1986,<br>1987, 1988 | V                            | √  |   |
| Priority Survey<br>(Enquête Prioritaire)                                 | EP   | 1992                      |                              | <b>V</b>                                 |   |
| Demographic and Health Survey<br>(Enquête démographique<br>et de santé)  | DHS  | 1994, 1998/99,<br>2005    |                              | √  |   |
| Multiple Indicator Cluster Survey<br>(Enquête à Indicateurs Multiples)   | MICS | 1996, 2000                |                              | <b>√</b>                                 |   |

**Sources:** Côte d'Ivoire Institute National de la Statistique; World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at www.worldbank.org; International Household Survey Network, *IHSN Central Survey Catalog* accessed on 25 April 2007 at www.internationalsurveynetwork.org.

redefined to ensure more homogeneity within the sampling strata, to reflect changes that have occurred in the demographic and economic spheres in Côte d'Ivoire, and to provide the necessary information for the decentralisation policy. Thus, the ENV 2002 was representative of Abidjan and the 10 administrative regions of the country. Nevertheless, the five strata used in the previous surveys (Abidjan, other cities, Eastern Rural Forest zone, Western Rural Forest zone, and Rural Savannah) can still be used for comparison with the 2002 survey.

Consistency in the data collection methods ensured a high degree of comparability of poverty statistics from one survey to another. In addition, the analysis of poverty trends has been built around a poverty threshold set in 1985 and updated from one survey to another to correspond to the changes in prices over time within the country.

### **Consumption aggregate**

Data collection in the latest available survey, ENV 2002, took place between May and July 2002. The consumption aggregate included expenditures on goods and services and transfers. Goods or services produced and consumed by the households were valued during the interviews and also included in the consumption aggregate. Respondents indicated how much it would have cost them to buy on the market the quantity of goods they consumed in a day. Such values were extrapolated over a year through questions on frequency of consumption of those goods in a month and in a year.

No equivalence scale was used to adjust for differences in the age and sex compositions of households.

#### **Poverty lines**

The threshold for overall poverty used in Côte d'Ivoire is a relative poverty line constructed in 1985 and adjusted for differences in prices from one survey to another. The initial threshold was based on data collected in the EPAM 1985 survey and corresponded to the total expenditure per capita at the 10th percentile (poorest decile). That is, in 1985, 10 per cent of the population in Côte d'Ivoire was living below the established poverty line. The value of the poverty line was 75,000 CFA francs per capita per year (in 1985 Abidjan prices).

The 1985 threshold has been updated from one survey to another, using the African-type household consumer price index for Abidjan (base 100: February 1985 to January 1986, which was the EPAM 1985 data collection period). The thresholds obtained, representing the overall poverty lines over time, are presented in table CI.2.

The overall thresholds have been established on the basis of Abidjan prices. In order to assess the position of the households relative to the poverty line, their expenditure had to be expressed in Abidjan prices as well. Therefore, the price level in each stratum of the sample was calculated relative to Abidjan prices, based on a deflator and a synthetic price index calculated by taking into account 84 products most consumed by households.

Thresholds of extreme poverty have also been set in Côte d'Ivoire. For each survey conducted the relative poverty threshold was the per capita annual expenditure at the 10th percentile (poorest decile) (table CI.2).

**ENV 1993 ENV 1995 ENV 1998 ENV 2002 EPAM 1985** 183,450 75,000 101,340 144,800 162,800 Overall poverty threshold (CFA francs, in current Abidjan prices) 95,700 94,280 75,000 63,375 86,700 Extreme poverty threshold (CFA francs, in current Abidjan prices)

Table Cl. 2. Poverty thresholds, Côte d'Ivoire, 1985 to 2002

Source: Institut National de la Statistique, 2003, Profil de Pauvreté en Côte d'Ivoire en 2002. Résultats provisoires.

### **Poverty profile**

In 2002 in Côte d'Ivoire the headcount index for the overall poverty line was 38 per cent and the poverty depth and severity of poverty were 0.129 and 0.060, respectively (table CI.3). People from rural areas were more likely to be poor than people from urban areas. About half of the rural population and about a quarter of the urban population were poor. Within urban areas, the headcount index for Abidjan was about half the value of the headcount index for the other urban areas; 15 per cent compared to 32 per cent.

Between 1985 and 2002 in Côte d'Ivoire, the headcount index increased sharply from 10 per cent to 39 per cent (table CI.4). Most of the increase took place between 1985 and 1993, when the headcount index tripled, reaching 33 per cent. <sup>14</sup> The trends of poverty by zone (table CI.4) generally followed the pattern at national level. However, for Rural Western Forest, the changes in poverty over time are puzzling given the particularly low level of poverty estimated for 1985 and 1998; two per cent and 25 per cent, respectively, compared to 50 per cent estimated in 1995 and 52 per cent in 2002.

The large increase in the poverty rate between 1985 and 1993 could partially be explained by the changes in the methods of data collection and the construction of the consumption aggregate.

Table CI. 3. Headcount index, distribution of poor, poverty depth, and severity of poverty, by type of locality, Côte d'Ivoire, ENV 2002

|                   | Headcount index<br>(per cent) | Distribution of poor (per cent) | Poverty depth | Severity of poverty |
|-------------------|-------------------------------|---------------------------------|---------------|---------------------|
| Abidjan           | 15                            | 7                               | 0.036         | 0.013               |
| Other urban areas | 32                            | 20                              | 0.073         | 0.031               |
| Rural areas       | 49                            | 73                              | 0.171         | 0.083               |
| All areas         | 38                            | 100                             | 0.129         | 0.060               |

Source: Institut National de la Statistique, 2003, Profil de Pauvreté en Côte d'Ivoire en 2002. Résultats provisoires.

Note: Based on the overall poverty line.

Table Cl. 4. Headcount index by zone, Côte d'Ivoire, 1985 to 2002

|                      |                   | Headcount index (per cent) |          |          |          |  |
|----------------------|-------------------|----------------------------|----------|----------|----------|--|
|                      | EPAM 1985         | ENV 1993                   | ENV 1995 | ENV 1998 | ENV 2002 |  |
| Abidjan              | CARET Adey to see | 5                          | 20       | 11       | 15       |  |
| Other towns          | 8                 | 31                         | 29       | 34       | 32       |  |
| Rural Eastern Forest | 15                | 39                         | 41       | 47       | . 45     |  |
| Rural Western Forest | 2                 | 38                         | 50       | 25       | 52       |  |
| Rural Savannah       | 26                | 49                         | 49       | 55       | 48       |  |
| All zones            | 10                | 32                         | 37       | 34       | 38       |  |

Source: Institut National de la Statistique, 2003, Profil de Pauvreté en Côte d'Ivoire en 2002. Résultats provisoires.

Note: Based on the overall poverty lines.

Between 1998 and 2002 the poverty rate for all rural areas increased significantly, from 42 per cent to 49 per cent (Institut National de la Statistique, 2003). The poverty rate for all urban areas (including Abidjan) increased only slightly, from 23 per cent to 25 per cent. Consequently, the urban-rural gap in poverty increased over the period. In 2002 most of the poor (73 per cent) were living in rural areas.

#### Poverty by region

The headcount index varied significantly from one region to another in 2002. Apart from Abidjan, the regions with the lowest headcount index were North-central and South, where the poor comprised a little less than one- third of the population. By contrast, in the West, North-east, North-west, and Central-west, the poor constituted more than half of the population (table CI.5).

The headcount index in rural areas varied from 36 per cent in South region to 67 per cent in West region (table CI.5). In terms of distribution of the poor, the regions with the largest number of rural poor as well as the largest number of poor were West and Central-west.

Table CI. 5. Headcount index and distribution of poverty by region, all areas and rural areas, Côte d'Ivoire, ENV 2002

|                               | All a                         | reas                                     | Rura                          | l areas  |
|-------------------------------|-------------------------------|--|-------------------------------|--|
|                               | Headcount index<br>(per cent) | Distribution of<br>poverty<br>(per cent) | Headcount index<br>(per cent) | Distribution of rural<br>poverty<br>(per cent) |
| West                          | 64                            | 19                                       | 67                            | 21   |
| North-east                    | 57                            | 5  | 61                            | 6  |
| North-west                    | 52                            | 5  | 53                            | 6  |
| Central-west                  | 50                            | 20                                       | 52                            | 22   |
| Central-east                  | 45                            | 3  | 51                            | 3  |
| Central                       | 41                            | 6  | 44                            | 7  |
| South-west                    | 41                            | 8  | .48                           | 10   |
| North                         | 40                            | 6  | 43                            | 6  |
| North-central                 | 32                            | 7  | 37                            | 5  |
| South<br>(apart from Abidjan) | 30                            | 14                                       | 36                            | 14   |
| Abidjan                       | 15                            | 7  |                               | _ 489  |
| All regions                   | 38                            | 100                                      | 49                            | 100  |

Source: Institut National de la Statistique, 2003, Profil de Pauvreté en Côte d'Ivoire en 2002. Résultats provisoires.

Notes: Based on the overall poverty line.

A dash (—) indicates "not applicable".

### Poverty by sex of the household head

In Côte d'Ivoire overall, people living in female-headed households were slightly less likely to be poor compared to those in male-headed households. The headcount index was 35 per cent for people living in female-headed households compared to 39 per cent for those living in male-headed households. However, these figures conceal sharp regional disparities. In some of the regions, people living in male-headed households had lower poverty rates than those living in female-headed households, for example, in the rural and urban areas of North-east and Central-west regions (table CI.6). In other regions, such as rural North-west, rural North-central, or urban North, people living in female-headed households had lower poverty rates than those living in male-headed households (table CI.6).

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Table CI. 6. Headcount index according to the sex of the household head, by region and type of locality, Côte d'Ivoire, ENV 2002

|                               | Headcount index (per cent)  |                           |                             |                           |
|-------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
|                               | Rural                       | areas                     | Urbai                       | n areas                   |
|                               | Female-headed<br>households | Male-headed<br>households | Female-headed<br>households | Male-headed<br>households |
| West                          | 72                          | 67                        | 42                          | 54                        |
| North-east                    | 73                          | 56                        | 56                          | 29                        |
| North-west                    | . 34                        | 53                        | 51                          | 49                        |
| Central-west                  | 66                          | 51                        | 54                          | 44                        |
| Central-east                  | 45                          | 52                        | 31                          | 24                        |
| Centre                        | 43                          | 44                        | 23                          | . 39                      |
| South-west                    | 52                          | 47                        |                             |                           |
| North                         | 48                          | 42                        | 26                          | 38                        |
| North-central                 | 28                          | 39                        |                             | ·                         |
| South (apart from<br>Abidjan) | 32                          | 37                        |                             |                           |

Source: Institut National de la Statistique, 2003, Profil de Pauvreté en Côte d'Ivoire en 2002. Résultats provisoires.

Notes: Based on the overall poverty line.

Two dots (..) indicate that information is not available.

# Poverty by employment group of the household head

People living in households headed by workers in the agricultural sector were more likely to be poor. In 2002, more than one in two persons from households whose head worked in this sector were living below the poverty line (table CI.7). About one in three persons in households headed by a person working in the informal sector was poor, compared to less than one in seven for those living in households with the head working in the public sector or in the private and modern sector.

### Literacy and primary school attendance by poverty status

The adult literacy rate and primary school attendance rate were considerably lower for the poor compared to the non-poor. In 2002, the literacy rate was 32 per cent among the poor compared to 54 per cent among the non-poor (table CI.8). Women had lower literacy rates than men irrespective of their poverty status (table CI.8).

Table CI. 7. Headcount index according to the employment group of the household head, Côte d'Ivoire, ENV 2002

|                                      | Headcount index<br>(per cent) |
|--------------------------------------|-------------------------------|
| Farm workers                         | 56                            |
| Export farmers                       | 54                            |
| Food crop and livestock farmers      | 52                            |
| Self-employed of the informal sector | 33                            |
| Employees of the informal sector     | 32                            |
| Private modern sector employees      | 14                            |
| Self-employed modern sector          | 13                            |
| Employee in public sector            | 9                             |
| All categories of employment         | 38                            |

**Source:** Institut National de la Statistique, 2003, *Profil de Pauvreté en Côte d'Ivoire en 2002. Résultats provisoires*.

Note: Based on the overall poverty line.

Table CI. 8. Literacy rate by poverty status and sex, Côte d'Ivoire, ENV 2002

|       | Literacy rate (per cent) |      |          |  |
|-------|--------------------------|------|----------|--|
|       | Total                    | Poor | Non-poor |  |
| Women | 38                       | 25   | 47       |  |
| Men   | 53                       | 40   | 61       |  |
| Total | 46                       | 32   | 54       |  |

**Source:** Institut National de la Statistique, 2003, *Profil de Pauvreté* en Côte d'Ivoire en 2002. Résultats provisoires.

Note: Based on the overall poverty line.

The primary school net attendance rate for children aged six to 11 also varied by poverty status and sex. In 2002, the attendance rate was 58 per cent for all children but 47 per cent for the poor and 67 per cent for the non-poor. Furthermore, girls had lower attendance rates than boys and the gender gap in terms of school attendance was bigger for the poor compared to the non-poor (table CI.9).

Table CI. 9. Primary school attendance rate by poverty status and sex of the children, Côte d'Ivoire, ENV 2002

|            | Primary school net attendance rate <sup>1)</sup><br>(per cent) |      |          |  |
|------------|--|------|----------|--|
| -          | Total  | Poor | Non-poor |  |
| Girls      | 54   | 41   | 63       |  |
| Boys       | 62   | 53   | 70       |  |
| Gender gap | 8  | 11   | 8        |  |
| Both sexes | 58   | 47   | 67       |  |

**Source:** Institut National de la Statistique, 2003, *Profil de Pauvreté en Côte d'Ivoire en 2002. Résultats provisoires*.

Note: Based on the overall poverty line.

1) The net school attendance rate was defined as the ratio of the number of 6-11 year old children attending primary school to the number of children in the 6-11 year old age group.

#### Household size by poverty status

Poverty was associated with large households in Côte d'Ivoire. In 2002, the national average household size was 5.3 persons. The average household size was 4.6 persons for non-poor households, 7.0 for the poor, and 7.3 for the extremely poor (Institut National de la Statistique, 2003). The average household size of the poor varied from one region to another, reaching values as high as 10.5 in the rural Central-west region.

### **Concluding remarks**

Poverty statistics have been produced frequently in Côte d'Ivoire in the last two decades. The country is the first in the ECOWAS region to conduct household surveys relevant for monetary poverty analysis on a regular basis. The same methods of data collection and poverty measurement were employed across surveys, making for comparable estimates of poverty from 1985 to 2002. As part of the next steps in producing data on poverty, the current monitoring system for the PRSP aims to ensure that data collection through surveys on household living conditions are carried out every five years, and small scale quantitative and qualitative monitoring surveys each year.

The methodology for estimating poverty in Côte d'Ivoire is based on a relative threshold established in 1985, updated for changes in prices over time. The country has not yet defined an absolute poverty line that would reflect a minimum requirement to satisfy individual basic needs, and has not yet used equivalence scales in its official estimates of poverty. However, the comprehensive poverty profiles constructed over time have contributed to a systematic understanding of poverty in Côte d'Ivoire.

### Gambia

The Gambia counted 1,364,507 inhabitants at the 2003 census (Gambia Central Statistics Department, 2006), of which three quarters were living in rural areas. The country was ranked 155th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). The Gambian economy is based on agriculture, specifically on groundnut production and marketing, distributive trade, and tourism. The economic growth was reduced in the last decades by a series of exogenous shocks, culminating with a military coup in 1994. The country returned to constitutional rule in 1997. Between 1996 and 2005 the average annual GDP growth was 4.5 per cent, placing the Gambia in the group of African countries with sustained growth over the period (World Bank, 2006c). The real GDP per capita (in 2000 dollars) increased from 304 in 1998 to 328 in 2001. However, it decreased to 308 in 2002 and increased again to 327 in 2004 (World Bank, 2006c).

In the Gambia a series of structural adjustment programmes was implemented in the 1970s and 1980s, and, although macroeconomic stability was achieved, people's living standards decreased (The Republic of the Gambia, 2002). A *Strategy for Poverty Alleviation* was formulated in 1992 and launched in 1994. The Gambia completed an interim *Poverty Reduction Strategy Paper*<sup>15</sup> (PRSP) in 2000 and a full PRSP in 2002. A National Poverty Monitoring System has been developed since 1997 in order to ensure the continuous flow of statistics necessary to define policies and to assess their effects over time (The Republic of the Gambia, 2002).

### National household surveys for poverty assessment

The Central Statistics Department of the Gambia has conducted four surveys relevant for the measurement and analysis of monetary poverty. These are the 1989 and the 1992/93 Household Economic Surveys (HES 1989 and HES 1992/93), the 1998 National Household Poverty Survey (NHPS 1998), and the 2003/04 Integrated Household Survey (IHS 2003/04). The results of the IHS 2003/04 were not available for inclusion in this publication.

The 1998 Gambian National Household Poverty Survey (NHPS 1998), on which most of the statistics presented in this country profile are based, was commissioned by the Strategy for Poverty Alleviation Coordinating Office and the Department of State for Finance and Economic Affairs in order to monitor and analyse poverty in the Gambia. The survey collected information on household income and consumption, as well as on health, education, anthropometry, and employment.

Data on non-monetary dimensions of poverty, such as education, health, access to basic services, and the general economic and social context, were also collected through other types of surveys carried out after 1990: two Priority Surveys, one Education and Health Survey, and two rounds of the Multiple Indicator Cluster Survey. In addition, between 1999 and 2002, six Participatory Poverty Assessments (twice a year) collected data on subjective evaluations of poverty.

### Poverty measurement

In the Gambia, monetary poverty was measured based on expenditure data collected in the two latest available surveys, HES 1992/93 and NHPS 1998, and absolute poverty lines derived, for each of the two surveys, from the cost of basic needs approach (Government of the Gambia, 2000). The resulting estimates of poverty showed an unlikely high increase in the headcount index between 1992/93 and 1998, calling

<sup>15</sup> In 2000, the Gambia reached the decision point under the Enhanced HIPC Initiative.

Table GM. 1. Sources of data for poverty analysis in the Gambia, since 1985

| National Survey                       |      | Year of survey | Income<br>and<br>expenditure | Non-monetary<br>dimensions of<br>poverty | Subjective<br>evaluations of<br>poverty |
|---------------------------------------|------|----------------|------------------------------|--|---|
| Household Economic Survey             | HES  | 1989, 1992/93  |                              | √  |   |
| National Household Poverty Survey     | NHPS | 1998           | √                            | √  |   |
| Integrated Household Survey           | IHS  | 2003/04        | 1                            | √  |   |
| Priority Survey                       | PS   | 1992, 1994     |                              | V  |   |
| Household Education and Health Survey |      | 1993           |                              | √  |   |
| Multiple Indicator Cluster Survey     | MICS | 1996, 2000     |                              | V  |   |
| Participatory Poverty Assessment      | PPA  | 1999-2002      |                              |  | 1                                       |

**Sources:** Gambia Central Statistics Department; World Bank, *Africa Poverty Monitoring*. *Survey Navigator*, accessed on 25 April 2007 at *www.worldbank.org*; International Household Survey Network, *IHSN Central Survey Catalog*, accessed on 25 April 2007 at *www.internationalsurveynetwork.org*.

for a reconsideration of the methodology applied in 1998. After the re-examination of the poverty lines, it was considered appropriate to use the 1992 poverty line adjusted for differences in prices over time (The Republic of the Gambia, 2002). These two methods of poverty estimation for the year 1998 are presented after the description of the consumption aggregate and equivalence scale.

### Construction of consumption aggregate

The 1998 NHPS data collection took place from March to April 1998. The questionnaire covered items frequently consumed by households in the past two weeks and non-frequent items consumed in the past 12 months. The consumption aggregate included expenditure on purchased food and non-food items, as well as the value of home-produced foods consumed and in-kind gifts. Among the non-food expenditures included in the consumption aggregate were the actual or imputed rent for those living in owned dwellings and expenses on clothing, firewood, transport, education, and health.

#### Equivalence scale

In order to account for differences in expenditures produced by specific age and sex compositions of the households, the data were adjusted using an equivalence scale based on the ninth edition of *Recommended Dietary Allowances* (National Academy of Sciences, 1980) (table GM.2).

Table GM. 2. Equivalence scale, Gambia, 1998

|                        | Age group<br>(year) | Adult<br>equivalent |
|------------------------|---------------------|---------------------|
| Children of both sexes | 0-0.4               | 0.26                |
|                        | 0.5-0.9             | 0.35                |
|                        | 1-3                 | 0.48                |
|                        | 4-6                 | 0.63                |
|                        | 7-10                | 0.89                |
| Female                 | 11-14               | 0.81                |
|                        | 15-18               | 0.78                |
|                        | 19-22               | 0.78                |
|                        | 23-50               | 0.74                |
|                        | 51-75               | 0.67                |
|                        | 76+                 | 0.59                |
| Male                   | 11-14               | 1.00                |
|                        | 15-18               | 1.04                |
|                        | 19-22               | 1.07                |
|                        | 23-50               | 1.00                |
|                        | 51-75               | 0.89                |
|                        | 76+                 | 0.76                |

**Sources:** Fatty, L., 2004, "Poverty Measurement in the Gambia", presented at the *Regional Workshop on Poverty Statistics in the Economic Community of West African Region*, 26-30 July, Abuja.

#### Poverty lines — first estimates

In 1998 three sets of poverty lines were calculated for three types of localities: Banjul (the capital of the country), other urban areas, and rural areas. The thresholds were set based on the cost of basic needs approach. In order to calculate the food poverty line, a minimum caloric requirement of 2,700 calories per adult equivalent per day was chosen. A food basket was selected based on relative perceptions of living standards in the society. The basket included seven food items that could provide a healthy diet at a relatively low cost.

Monetary values of quantities of food items consumed daily were calculated separately for each type of locality using the Consumer Price Index and the 1998 Price Survey. The resulting food poverty lines are presented in table GM.3.

Also, for each of the three types of localities, the non-food component necessary to calculate the overall poverty line was established. This was calculated as the average non-food expenditure for the food-poor population and the 25 per cent of the population above the respective food poverty line. Total poverty lines estimated for Banjul, other urban areas, and rural areas, were derived from adding the non-food expenditures to the food poverty lines (table GM.3).

#### Poverty lines — second estimates

Based on the poverty lines established following the cost of basic needs approach described before, the 1998 National Household Poverty Survey Report estimated that the 1998 headcount index was about 70 per cent showing a substantial, and unlikely, increase in poverty from 34 per cent in 1992/93 (The Republic of the Gambia, 2000). The analysis of poverty lines used in 1998 revealed that the thresholds used were still 62-127 per cent higher after adjustments for inflation than those used in 1992/93. According to the 2002 Strategy for Poverty Alleviation (SPA II), the problem came from inappropriate price data used for valuing some of the items included in the 1998 food basket. In order to make comparable the results of 1998 with those obtained from the previous survey, the authors of the 2002 SPA II chose to use the 1992/93 CPI-inflated poverty lines (table GM.3).

Table GM. 3. Poverty lines, Gambia, 1992/93 and 1998

|  | Greater Banjul | Other<br>urban areas | Rural areas   |
|--|----------------|----------------------|---------------|
| 1992/93 poverty lines                        | · viillan      | Christ Sayes         |               |
| Food poverty line                            | 1,636          | 1,597                | 1,371         |
| Overall poverty line                         | 2,443          | 2,404                | 1,778         |
| First estimates of 1998 poverty lines        |                |                      |               |
| (1998 food and non-food lines)               |                |                      |               |
| Food poverty line                            | 2,964          | 2,610                | 2,576         |
| Overall poverty line                         | 5,539          | 3,898                | 3,088         |
| Second estimates of 1998 poverty lines       |                |                      | 294.25 SMITTE |
| (CPI-inflated 1992/93 food and non-food line | s)             |                      |               |
| Food poverty line (Dalasi)                   | 1,941          | 1,895                | 1,627         |
| Overall poverty line (Dalasi)                | 2,933          | 2,886                | 2,135         |

Source: The Republic of the Gambia, 2002, Strategy for Poverty Alleviation (SPA II) (PRSP), appendix 1:

Note: The poverty lines are expressed in current prices in Dalasi.

<sup>&</sup>quot;The 1998 Poverty Line".

Two sets of poverty statistics were therefore published for the Gambia. First, there is the 1998-based threshold, according to which, in 1998, 70 per cent of the population was poor and 51 per cent was extremely (food) poor. Second, based on the 1992/93 poverty thresholds adjusted for price inflation, in 1998 47 per cent of the population was poor and 30 per cent was extremely (food) poor (table GM.4). Both estimates showed an increase in poverty since 1992/93.

Table GM. 4. Estimated 1998 headcount index by type of locality, based on different poverty lines, Gambia, NHPS 1998

|  | 1998 Headcount index (per cent) |                   |             |       |
|--|---------------------------------|-------------------|-------------|-------|
|  | Greater Banjul                  | Other urban areas | Rural areas | Total |
| Based on first estimates of poverty lines<br>(1998 food and non-food lines)                          | l lakki dan.                    |                   |             |       |
| Food poor  | 22                              | 42                | 71          | 52    |
| Overall poor   | 55                              | 63                | 80          | 70    |
| Overall poor  Based on second estimates of poverty lines (CPI-inflated 1992/93 food and non-food lir |                                 | 63                | 80          | 70    |
| Food poor  | 7                               | 22                | 45          | 30    |
| Overall poor   | 21                              | 48                | 61          | 47    |

Source: The Republic of the Gambia, 2002, Strategy for Poverty Alleviation (SPA II) (PRSP), appendix 1: "The 1998 Poverty Line".

Final results of the 2003/04 Integrated Household Survey are yet to be made available. The preliminary analysis used two poverty lines derived from the 1992/93 poverty line and the initial 1998 poverty line, both adjusted for changes in prices. The headcount index based on the 1992/93 threshold was 54 per

cent, while the headcount index based on the 1998 threshold was 74 per cent (Republic of the Gambia, 2004 and 2006). Both estimates showed an increase in poverty since 1998.

Following the latest official point of view expressed by the country in the 2002 SPA II, the poverty statistics for 1998 used in this poverty profile are based on the 1992/93 thresholds adjusted for price changes.

### **Poverty profile**

#### Poverty by type of locality

In 1998 47 per cent of the population of the country was poor and 30 per cent was food poor. The disparities by type of locality were substantial. For example, for the overall poverty line, 61 per cent of the population was poor in rural areas, compared to 21 per cent in Banjul, the capital city, and 48 per cent in other urban areas (table GM.5).

Table GM. 5. Headcount index by type of locality, Gambia, HES 1992/93 and NHPS 1998

|                      | Headcount index (per cent) |      |  |
|----------------------|----------------------------|------|--|
|                      | 1992/93                    | 1998 |  |
| Overall poverty line |                            |      |  |
| Banjul               | 17                         | 21   |  |
| Other urban areas    | 40                         | 48   |  |
| Rural areas          | 41                         | 61   |  |
| Food poverty line    |                            |      |  |
| Banjul               | 5                          | 7    |  |
| Other urban areas    | 9                          | 22   |  |
| Rural areas          | 23                         | 45   |  |

**Source:** The Republic of the Gambia, 2002, *Strategy for Poverty Alleviation (SPA II) (PRSP)*.

**Note:** Based on the 1992/93 poverty lines and the CPI-inflated 1992/93 poverty lines, respectively.

Between 1992/93 and 1998, poverty increased in all types of locality in the Gambia (table GM.5). The increase in the headcount index was particularly high in rural areas, from 41 to 61 per cent. Extreme poverty (corresponding to the food poverty line) also increased, from 23 to 45 per cent in rural areas and from nine per cent to 22 per cent in urban areas other than Banjul.

Table GM. 6. Headcount index by administrative division, Gambia, NHPS 1998

|               | Headcount index (per cen |           |  |
|---------------|--------------------------|-----------|--|
| :             | Overall poor             | Food poor |  |
| North Bank    | 67                       | 46        |  |
| Upper River   | 65                       | 49        |  |
| Lower River   | 64                       | 51        |  |
| Central River | 55                       | 43        |  |
| Western       | 45                       | 20        |  |
| Banjul        | 19                       | 2         |  |
| KMC           | 19                       | 7         |  |
| All divisions | 47                       | 30        |  |

**Source:** The Republic of the Gambia, 2002, *Strategy for Poverty Alleviation (SPA II) (PRSP)*.

Note: Based on the CPI-inflated 1992/93 poverty lines.

#### Poverty by administrative division

The administrative divisions with the highest incidence of poverty in 1998 in the Gambia were the North Bank, Upper River, and Lower River, with about two thirds of their populations below the poverty line, and about half of their populations below the food poverty line (table GM.6). By contrast, the lowest incidence of poverty was observed in Banjul and KMC, with less than 20 per cent overall poverty.

#### Poverty by type of industry of the household members

Workers in agriculture were more likely to be poor and extremely (food) poor. In 1998, 64 per cent of people working in agriculture were poor and 47 per cent were food poor. These levels were over 30 percentage points higher than the headcount index of workers in any other type of industry. On the other hand, people employed in activities of the tertiary sector had the lowest poverty rates (table GM.7). People employed in hotels and the restaurant industry and those working

in public administration and defence had less than 20 per cent poverty rates.

Table GM. 7. Headcount index by type of industry of the household members, Gambia, NHPS 1998

|  | Headcount index (per cent) |           |  |
|--|----------------------------|-----------|--|
|  | Overall poor               | Food poor |  |
| Agriculture                            | 64                         | 47        |  |
| Fishing                                | 34                         | 21        |  |
| Personal services                      | 31                         | 12        |  |
| Manufacturing                          | 25                         | 12        |  |
| Construction                           | 24                         | 13        |  |
| Transport, storage, and communications | 23                         | 4         |  |
| Wholesale and retail                   | 22                         | 10        |  |
| Social and recreational services       | 22                         | 8         |  |
| Public administration and defence      | 15                         | 9         |  |
| Hotels and restaurants                 | 12                         | 6         |  |

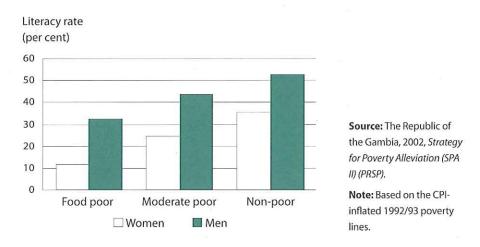
Source: The Republic of the Gambia, 2002, Strategy for Poverty Alleviation (SPA II) (PRSP).

Note: Based on the CPI-inflated 1992/93 poverty lines.

#### Literacy and school attendance by poverty status

Poor young women and men (15-24 years old) were more likely to be illiterate than the non-poor (figure GM.1). Regardless of their poverty status, young women had lower rates of literacy than young men, but the gender gap was smaller for the non-poor compared to the extremely (food) poor category.

Figure GM. 1. Literacy rate for 15-24 year old women and men, by poverty status, Gambia, NHPS 1998



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Among 7-12 year old children the school attendance rate was lower for the extremely (food) poor than for the non-poor and lower for girls than for boys (table GM.8). The gender gap in school attendance was higher among the extremely poor children and lower among the non-poor children. Thus, among the extremely poor, only 40 per cent of the 7-12 year old girls was attending school, compared to 50 per cent boys. In non-poor households, 58 per cent of girls was attending school, compared to 63 per cent boys.

Table GM. 8. School attendance rate for 7-12 year old children, by sex and poverty status, Gambia, NHPS 1998

|            | School attendance rate <sup>1)</sup> (per cent) |               |          |                |  |
|------------|---|---------------|----------|----------------|--|
|            | Extremely poor                                  | Moderate poor | Non-poor | All categories |  |
| Girls      | 40  | 52            | 58       | 51             |  |
| Boys       | 50  | 58            | 63       | 58             |  |
| Gender gap | 10  | 6             | 5        | 7              |  |

Source: The Republic of the Gambia, 2002, Strategy for Poverty Alleviation (SPA II) (PRSP).

Notes: Based on the CPI-inflated 1992/93 poverty lines.

<sup>1)</sup> The school attendance rate was defined as the ratio of the number of 7-12 year old children attending school to the number of children in the 7-12 years age group.

## **Concluding remarks**

Poverty statistics have been produced in the Gambia in the last two decades based on three household surveys conducted at short intervals (3-5 years) from each other. A fourth survey was conducted in 2003/04, but final estimates of poverty were not available for this report, showing a long time lag between data collection and the release of results.

Among the three surveys with available results only two, those of 1992/93 and 1998, were somewhat comparable regarding the methods employed in data collection and poverty measurement. The approach used in estimating poverty was the cost of basic needs and an equivalence scale was used to adjust for differences in the age and sex composition of households. Thus, the Gambia has followed the latest international standards in poverty research. However, the price data used in 1998 to value the food basket proved to be inappropriate and a different set of poverty lines was needed in order to assess the changes in poverty levels between 1992/93 and 1998. As presented in the *PRSP Annual Progress Report* for January-December 2004, it is expected that the 2003/04 survey will set a new and sounder poverty line to serve as a baseline for future surveys.

# Ghana

Ghana, a country with 18,912,079 people at the 2000 census (Ghana Statistical Service, 2002), was ranked 136th (out of 177 countries) in the UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). Its economy has traditionally depended on the production of cocoa, timber, and gold. Ghana experienced deep economic crisis in the late 1970s and early 1980s. The economy recorded an annual average growth of –2.2 per cent between 1975 and 1982. The decrease in real GDP per capita in the 1980s was followed by a steady increase. From 211 (constant prices in 2000 US dollars) in 1990, the real GDP reached 242 in 1998 and 275 in 2004 (World Bank, 2006c). Between 1996 and 2005, the average annual GDP growth was 4.7 per cent, placing Ghana in the group of African countries with sustained growth over the period (World Bank, 2006c).

During the 1980s successive programmes of structural adjustment were implemented and macroeconomic stability was achieved. After the structural adjustment programmes of the 1980s, Ghana changed its policy framework (Republic of Ghana, 2003). In the mid 1990s a series of plans emphasizing poverty reduction and human development was developed: *Human Development Strategy* in 1991, a *National Development Policy Framework* (Vision 2020) in 1994, the 1995 *Vision 2020: the First Step*, and the *First Medium Term Development Plan 1996-2000* (Republic of Ghana, 2003). In fulfilment of the HIPC Initiative Ghana completed an interim *Poverty Reduction Strategy Paper* (PRSP) in June 2000 and two full PRSPs in February 2003 and November 2005. Currently, the Ghana *Growth and Poverty Reduction Strategy (GPRS II)* is the operational development framework for the country (Republic of Ghana, National Development Planning Commission, 2005). Monitoring poverty is part of a monitoring and evaluation plan of poverty reduction strategies established in 2002 and implemented beginning with the 2003 PRSP.

## National household surveys for poverty assessment

The main instrument for monitoring monetary poverty in Ghana is drawn from the Living Standards Measurement Study (LSMS) surveys. The first Ghana Living Standards Survey (GLSS) was launched in 1987 as an integral part of the structural adjustment programme, and since then four other surveys have been carried out. The first three rounds of surveys were conducted at one- and three-year intervals, while the fourth and fifth were each at a seven-year interval. The five GLSS surveys conducted in Ghana are multi-purpose surveys collecting information not only on income and consumption, but also on other dimensions of living conditions, such as education, health, and employment.

Other surveys collected data on non-monetary dimensions of poverty. Four Demographic and Health Surveys (GDHS), conducted every five years, and a Multiple Indicator Cluster Survey collected information on education and health. Core Welfare Indicators Surveys (CWIQ) were conducted in 1997 and 2003. A Participatory Poverty Assessment was conducted in 1994 to obtain data on subjective evaluations of poverty.

## **Poverty measurement**

The five GLSS surveys conducted in Ghana were similar with respect to their purpose of integrated poverty assessment. However, over the years there have been changes in terms of the questionnaire, sampling design, and approach for setting the poverty line.<sup>17</sup> First, while the questionnaires used in the last three

Ghana reached the completion point under the Enhanced HIPC Initiative and qualified for full debt relief in 2004.

<sup>&</sup>lt;sup>17</sup> The methodology described in this country profile was drawn from two publications of the Ghana Statistical Service: *Poverty Trends in the 1990s* (2000) and *Patterns and Trends of Poverty in Ghana 1991-2006* (2007).

| National Survey                   |      | Year of survey                                    | Income<br>and<br>expenditure | Non-monetary<br>dimensions of<br>poverty | Subjective<br>evaluations of<br>poverty |
|-----------------------------------|------|---|------------------------------|--|---|
| Ghana Living Standards Survey     | GLSS | 1987/88, 1988/89,<br>1991/92, 1998/99,<br>2005/06 | <b>V</b>                     | <b>√</b>                                 |   |
| Demographic and Health Survey     | GDHS | 1988, 1993, 1998, 2003                            | ¥                            | $\checkmark$                             |   |
| Multiple Indicator Cluster Survey | MICS | 1995  |                              | $\checkmark$                             |   |
| Core Welfare Indicators Survey    | CWIQ | 1997, 2003  |                              | V  | √                                       |
| Participatory Poverty Assessment  | PPA  | 1994  |                              |  | <b>V</b>                                |

**Sources:** Ghana Statistical Service; World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at *www.worldbank. org*; International Household Survey Network, *IHSN Central Survey Catalog*, accessed on 25 April 2007 at *www.internationalsurveynetwork.org*; Demographic and Health Survey, accessed on 25 April 2007 at *http://www.measuredhs.com/*.

surveys—GLSS 3 (1991/92), GLSS 4 (1998/99), and GLSS 5 (2005/06)—were similar, they were different from those of the previous two rounds of surveys. Also, GLSS 4 (1998/99) was the first survey to collect price data during the household survey itself. Next, GLSS 4 was the first to be representative at regional level; the previous surveys were representative at a more aggregate, zonal level. Finally, before GLSS 4, household expenditures were expressed on a per capita basis, and the analysis of poverty was based on the upper and lower relative poverty lines set in 1987/88 as two thirds and one half of average per capita expenditure, respectively. With the GLSS 4, a new poverty line was set based on the cost of basic needs approach, and an equivalence scale was used. The poverty line set in 1998/99, adjusted for changes in prices, was applied retrospectively to the 1991/92 data and later to the 2005/06 data.

## **Consumption aggregate**

The same consumption aggregate was constructed for the last three available surveys in Ghana, GLSS 3, 4, and 5. A detailed description of the items included is provided in table GH.2. However, a few points should be underlined. First, the total expenditure included consumption of home-produced goods valued by respondents during the interview. Second, purchases of durable goods were excluded, while user values of durable goods were imputed. Third, for owned dwellings an imputed rent was estimated, based on a hedonic regression equation. Fourth, the health expenditures on hospitalisation were excluded, while other small health-related expenses were included in the consumption aggregate. Finally, taxes, transfers, and ceremonial expenditure (for family, community, or holiday events) were excluded.

Although the items included in the consumption aggregate were the same for the three surveys, the expenditures for frequent purchases had to be adjusted for differences in the recall period: GLSS 3 used eight visits at two-day intervals in rural areas and eleven visits at three-day intervals in urban areas; GLSS 4 used seven visits at five-day intervals; while GLSS 5 used eleven visits at three-day intervals. As a means of obtaining comparable statistics for the three surveys, the information collected during GLSS 3 was adjusted to correspond to the longer intervals used in GLSS 4 and 5.

Table GH. 2. Consumption aggregate, Ghana, GLSS 1991/92, GLSS 1989/99, and GLSS 2005/06

| Elements of consumption                     | Composition of the consumption aggregate.  |
|---|--|
| Expenditure on food, beverages, and tobacco | Expenditure on about 120 commodities (based on pattern in several short recall period in the past month).  |
| Consumption of own-produced food            | Consumption of food commodities from own production, valued by respondents at prices at which they could be sold;  Wage income received in form of food (based on payment interval reported by respondents).   |
| Expenditure on non-food items               | Expenditure on frequently purchased non-food items (based on expenditure pattern in several short recall periods in the past month);   |
|   | Expenditure on less frequently purchased non-food goods and services (based on expenditure pattern over last three or last 12 months), excluding purchases of durable goods and expenditure on hospital stays; |
|   | Expenditure on education (based on expenditure pattern for each child in the past 12 months);  |
|   | Expenditure on household utilities: water, electricity, and garbage disposal (based on payment interval reported by respondents).  |
| Expenditure on housing                      | Actual rental expenditure (based on payment interval reported by respondents);   |
|   | Imputed rent of owner-occupied dwellings, estimated based on a hedonic regression equation;  |
|   | Wage income received as subsidised housing (based on payment interval reported by respondents).  |
| Imputed expenditure on                      | Durable goods user values;   |
| non-food items                              | Consumption from output of non-farm enterprises (based on two-week period);  |
|   | Wage income in kind, in forms other than food and housing (based on payment intervareported by respondents).   |
|   |  |

Sources: Ghana Statistical Service, 2007, Patterns and Trends of Poverty in Ghana 1991-2006, page 70, table A6.1.

## Equivalence scale

The same equivalence scale, based on the age and sex differences in the minimum caloric requirement, was used for the last three GLSS surveys. This is the calorie-based scale from the 10th edition of *Recommended Dietary Allowances* (National Academy of Sciences, 1989) (table GH.3).

## Adjustments for differences in cost of living

In order to compare the standard of living across households, three types of differences in cost of living were taken into account. First, adjustments were made for the differences in the cost of living between different zones at one point in time based on GLSS 4 data (price questionnaire and household questionnaire). Zonal cost-of-living sub-indices for food items, non-food items, and housing were constructed, and an

Table GH. 3. Equivalence scale, Ghana, GLSS 1991/92 — GLSS 2005/06

|         | Age group<br>(year) | Adult<br>equivalent |
|---------|---------------------|---------------------|
| nfants  | 0 - 0.4             | 0.22                |
|         | 0.5 – 0.9           | 0.29                |
| hildren | 1-3                 | 0.45                |
|         | 4-6                 | 0.62                |
|         | 7 - 10              | 0.69                |
| emales  | 11 – 14             | 0.76                |
|         | 15 – 18             | 0.76                |
|         | 19 – 25             | 0.76                |
|         | 26 – 50             | 0.76                |
|         | 51+                 | 0.66                |
| 1ales   | 11 – 14             | 0.86                |
|         | 15 – 18             | 1.03                |
|         | 19 – 25             | 1.00                |
|         | 26 – 50             | 1.00                |
|         | 51+                 | 0.79                |

**Source:** Ghana Statistical Service, 2007, *Patterns and Trends of Poverty in Ghana 1991-2006*, page 71, table A6.2.

overall regional cost of living index was computed as a weighted average of those three sub-indices. Second, the variations in prices within the time periods covered by each survey were taken into account by using the Consumer Price Index (CPI) data. Finally, adjustments were made for the price inflation from one survey to another by using the CPI data.

#### **Poverty lines**

The first poverty assessment in Ghana, based on GLSS 1 (1987/88) expenditure data, used relative poverty thresholds, calculated as two thirds and one half of mean expenditure. This threshold continued to be used for the next two rounds of GLSS (1988/89 and 1991/92).

Absolute poverty lines, derived from the cost of basic needs approach, were defined beginning with the 1998/99 survey. Poverty in 1991/92 was re-estimated using the new 1998/99 thresholds, adjusted for changes in prices over time. The same thresholds of 1998/99 were applied to the 2005/06 survey, updated, however, to account for price inflation. This enabled the study of poverty trends in Ghana from 1991/92 to 2005/06.

The absolute poverty line constructed in 1998/99 was based on a minimum nutrition requirement of 2,900 calories per day per adult equivalent. To set the food poverty line, the average consumption basket of the 50 per cent population with the lowest expenditure

was examined. The number of calories provided by this basket per adult equivalent was computed. The quantities of each item consumed was scaled up or down in the appropriate proportion in the food basket so as to provide the chosen minimum caloric requirement. The food (or lower) poverty line corresponding to this food basket was estimated at 700,000 Cedis per year per adult equivalent in 1998/99 (in Accra prices in January 1999). For the GLSS 2005/06 food poverty line, the 1998/99 threshold was adjusted for changes in the CPI over time, resulting in 2,884,700 Cedis per adult equivalent per year (in Accra prices in January 2006).

The non-food expenditure was calculated as the average per adult equivalent expenditure on non-food items for the households in which total expenditure per adult equivalent was at the level of the food poverty line. The overall (or upper) poverty line, an aggregate of the food poverty line and the non-food expenditure, was 900,000 Cedis in 1989/99 (in Accra prices in January 1999). For the GLSS 2005/06 overall poverty line, the 1998/99 threshold was adjusted for changes in CPI over time, resulting in 3,708,900 Cedis per adult equivalent per year (in Accra prices in January 2006).

## **Poverty profile**

In the last 15 years, poverty declined considerably in Ghana. Based on the upper poverty line, the decline was from 52 per cent in 1991/92 to 29 per cent in 2005/06. Based on the lower poverty line, the headcount index decreased by half, from 37 per cent in 1991/92 to 18 per cent in 2005/06 (table GH.4). Improvement

in people's living standards was also shown through the decline of poverty depth and severity of poverty (table GH.4).

Table GH. 4. Headcount index, poverty depth, and severity of poverty, Ghana, GLSS 1991/92, GLSS 1998/99, and GLSS 2005/06

|                              | GLSS 1991/92 | GLSS 1998/99 | GLSS 2005/06      |
|------------------------------|--------------|--------------|-------------------|
| Upper (overall) poverty line |              |              |                   |
| Headcount index (per cent)   | 52           | 40           | 29                |
| Poverty depth                | 0.185        | 0.139        | 0.096             |
| Severity of poverty          | 0.088        | 0.066        | 0.046             |
| Lower (food) poverty line    |              |              | - 100 (04-5) (45) |
| Headcount index (per cent)   | 37           | 27           | 18                |
| Poverty depth                | 0.111        | 0.083        | 0.057             |
| Severity of poverty          | 0.047        | 0.036        | 0.026             |

Source: Ghana Statistical Service, 2007, Patterns and Trends of Poverty in Ghana 1991-2006, page 36, table A1.1, and page 37, table A1.2.

## Poverty by type of locality

The decline in poverty recorded at national level was the result of substantial poverty reduction in both urban and rural areas (table GH.5). For example, taking into account the upper poverty line, the headcount index for urban areas decreased from 28 per cent in 1991/92 to 19 per cent in 1998/99 and to 11 per cent in 2005/06. For rural areas, the decline was from 64 per cent in 1991/92 to 50 per cent in 1998/99 and 39 per cent in 2005/06.

Table GH. 5. Headcount index by type of locality, Ghana, GLSS 1991/92, GLSS 1998/99, and GLSS 2005/06

|                              | Headcount index<br>(per cent) |         |         | Distribution of poor (per cent) |         |         |
|------------------------------|-------------------------------|---------|---------|---------------------------------|---------|---------|
|                              | 1991/92                       | 1998/99 | 2005/06 | 1991/92                         | 1998/99 | 2005/06 |
| Upper (overall) poverty line |                               |         |         |                                 |         |         |
| Urban                        | 28                            | 19      | 11      | 18                              | 17      | 14      |
| Rural                        | 64                            | 50      | 39      | 82                              | 83      | 86      |
| Lower (food) poverty line    | 11                            |         | = = = = |                                 | - 1750  |         |
| Urban                        | 15                            | 12      | 6       | 14                              | 15      | 12      |
| Rural                        | 47                            | 35      | 26      | 86                              | 85      | 88      |

Source: Ghana Statistical Service, 2007, Patterns and Trends of Poverty in Ghana 1991-2006, page 9, table 2.

The majority of the poor lived in rural areas in 2005/06 (86 per cent of the overall poor and 88 per cent of the food poor). The distribution of the poor across the two types of areas changed slightly between 1991/92 and 2005/06, with the share of the food poor living in rural areas increasing from 86 to 88 per cent and that of the overall poor from 82 to 86 per cent (table GH.5).

#### Poverty by zone

Poverty in the zones of Ghana did not decline at the same pace. Rural Savannah, the poorest rural zone in 1992, and urban Savannah, the poorest urban zone in 1998, were characterised by a slow process of poverty reduction (table GH.6). Still, in 2005/06, 60 per cent of the population from rural Savannah and 28 per cent of the population from urban Savannah were living below the upper poverty line. In contrast, rural Forest and urban Forest improved tremendously (table GH.6); by 2005/06, 28 per cent of the rural population and seven per cent of the urban population in Forest zone were living below the upper poverty line.

Table GH. 6. Headcount index by zone, Ghana, GLSS 1991/92, GLSS 1998/99, and GLSS 2005/06

| 8.             | Headcount index (per cent) Upper (overall) poverty line |         |         | Headcount index (per cent)<br>Lower (food) poverty line |         |         |
|----------------|---|---------|---------|---|---------|---------|
| ·              | 1991/92   | 1998/99 | 2005/06 | 1991/92   | 1998/99 | 2005/06 |
| Accra (GAMA)   | 23  | 4       | 11      | 11  | 2       | 5       |
| Urban Coastal  | 28  | 31      | 6       | 14  | 19      | 2       |
| Urban Forest   | 26  | 18      | 7       | 13  | 11      | 3       |
| Urban Savannah | 38  | 43      | 28      | 27  | 27      | 18      |
| Rural Coastal  | 53  | 46      | 24      | 33  | 29      | 12      |
| Rural Forest   | 62  | 38      | 28      | 46  | 21      | 15      |
| Rural Savannah | 73  | 70      | 60      | 58  | 59      | 45      |
| All Ghana      | 52  | 40      | 29      | 37  | 27      | 18      |

Source: Ghana Statistical Service, 2007, Patterns and Trends of Poverty in Ghana 1991-2006, page 9, table 2.

As a result of disparities in poverty decline, the share of the poor living in rural Savannah increased significantly over time. In 2005/06, almost half of the overall poor in Ghana were residents of this zone, as compared to about a third, 15 years earlier (table GH.7). Also, more than half of the food poor was living in Rural Savannah, compared to about a third 15 years earlier.

## Poverty by region

The northern part of the country (Northern, Upper East, and Upper West) had the highest rates of poverty in 2005/06, over 50 per cent (table GH.8). The headcount index was 70 per cent in the Upper East and as high as 88 per cent in the Upper West. Poor from these three regions accounted for about 45 per cent of Ghana's poor.

Table GH. 7. Distribution of poor by zone, Ghana, GLSS 1991/92, GLSS 1998/99, and GLSS 2005/06

|                | Distribution of poor<br>(per cent)<br>Upper poverty line |         |         | Distribution of poor<br>(per cent)<br>Lower poverty line |         |         |
|----------------|--|---------|---------|--|---------|---------|
| _              | 1991/92  | 1998/99 | 2005/06 | 1991/92  | 1998/99 | 2005/06 |
| Accra (GAMA)   | 4  | 1       | 5       | 3  | 1       | 4       |
| Urban Coastal  | 5  | 5       | 1       | 3  | 4       | 1       |
| Urban Forest   | 6  | 5       | 4       | 4  | 5       | 2       |
| Urban Savannah | 4  | 5       | 5       | 4  | 5       | 5       |
| Rural Coastal  | 14   | 17      | 9       | 13   | 15      | 7       |
| Rural Forest   | 35   | 30      | 27      | 37   | 25      | 22      |
| Rural Savannah | 32   | 37      | 49      | 36   | 45      | 59      |
| All Ghana      | 100  | 100     | 100     | 100  | 100     | 100     |

Source: Ghana Statistical Service, 2007, Patterns and Trends of Poverty in Ghana 1991-2006, page 9, table 2.

Table GH. 8. Headcount index and distribution of the poor by region, Ghana, GLSS 2005/06

|               | Headcount<br>index<br>(per cent) | Distribution<br>of poor<br>(per cent) |
|---------------|----------------------------------|---------------------------------------|
| Upper West    | 88                               | 11                                    |
| Upper East    | 70                               | 12                                    |
| Northern      | 52                               | 22                                    |
| Volta         | 31                               | 8                                     |
| Brong Ahafo   | 30                               | 9                                     |
| Ashanti       | 20                               | 12                                    |
| Central       | 20                               | 6                                     |
| Western       | 18                               | 7                                     |
| Eastern       | 15                               | 7                                     |
| Greater Accra | 12 .                             | 6                                     |
| All regions   | 29                               | 100                                   |

**Source:** Ghana Statistical Service, 2007, *Patterns and Trends of Poverty in Ghana 1991-2006*, page 41, table A1.6.

Note: Based on the upper (overall) poverty line.

# Poverty by main economic activity of the household

Between 1992 and 2006, poverty decreased irrespective of the main economic activity of the household. However, members of households occupied mainly in farming maintained high rates of poverty, particularly in the case of food crop farming (table GH.9). In 2005/06, 46 per cent of people living in this type of household were poor. Their share in the total poor increased over the 15-year interval, from 57 per cent in 1991/92 to 69 per cent in 2005/06. However, the households in which the main activity was in export farming had made impressive progress in poverty reduction. People living in these households lowered their poverty rate from 64 per cent in 1991/92 to 24 per cent in 2005/06 (table GH.9).

In 2005/06, persons in households where the main activity was in the public sector or in the private formal sector (table GH.9) were relatively better off. The headcount index for people living in these types of households was eight per cent and 10 per cent respectively.

Table GH. 9. Headcount index and distribution of the poor, by main economic activity of the household, Ghana, GLSS 1991/92, GLSS 1998/99, and GLSS 2005/06

|                           | Headcount index (per cent) |         |         | Distribution of poor (per cent) |         |         |
|---------------------------|----------------------------|---------|---------|---------------------------------|---------|---------|
|                           | 1991/92                    | 1998/99 | 2005/06 | 1991/92                         | 1998/99 | 2005/06 |
| Food crop farmers         | 68                         | 59      | 46      | 57                              | 58      | 69      |
| Export farmers            | 64                         | 39      | 24      | 8                               | . 7     | 6       |
| Private informal employee | 39                         | 25      | 17      | 2                               | 2       | 4       |
| Non-farm self-employed    | 38                         | 29      | 17      | 21                              | 25      | 16      |
| Public sector employee    | 35                         | 23      | 8       | 9                               | 6       | 2       |
| Private formal employee   | 30                         | 11      | 10      | 2                               | 1       | 2       |
| Non-working               | 19                         | 20      | 13      | 1                               | 1       | 1       |
| All categories            | 52                         | 40      | 29      | 100                             | 100     | 100     |

Source: Ghana Statistical Service, 2007, Patterns and Trends of Poverty in Ghana 1991-2006, page 39, table A1.4.

Note: Based on the upper (overall) poverty lines.

Table GH. 10. Headcount index by sex of the household head, Ghana, GLSS 1991/92, GLSS 1998/99, and GLSS 2005/06

|                         | Headcount index (per cent) |         |         |  |  |  |
|-------------------------|----------------------------|---------|---------|--|--|--|
| II e                    | 1991/92                    | 1998/99 | 2005/06 |  |  |  |
| Urban areas             |                            |         |         |  |  |  |
| Female-headed household | 25                         | 20      | 11      |  |  |  |
| Male-headed household   | 29                         | 19      | 11      |  |  |  |
| Rural areas             |                            |         |         |  |  |  |
| Female-headed household | 56                         | 46      | 26      |  |  |  |
| Male-headed household   | 66                         | 51      | 42      |  |  |  |
| Ghana                   |                            |         |         |  |  |  |
| Female-headed household | 43                         | 35      | 19      |  |  |  |
| Male-headed household   | 55                         | 41      | 31      |  |  |  |
| All categories          | 52                         | 40      | 29      |  |  |  |

Source: Ghana Statistical Service, 2007, Patterns and Trends of Poverty in Ghana 1991-2006, page 42, table A1.7.

Note: Based on the upper (overall) poverty lines.

## Poverty by sex of the household head

People living in male-headed households have had higher poverty rates than those living in female-headed households. In 2005/06, 31 per cent of people living in male-headed households were poor, compared to 19 per cent of those living in female-headed households. Over the 15-year interval, the gap in poverty between these two groups of population diminished in urban areas while it increased in rural areas (table GH.10).

# **Concluding remarks**

Ghana is one of the few ECOWAS countries that have produced poverty statistics on a regular basis for a relatively long time. Five LSMS-type surveys have been conducted so far and the poverty monitoring system of the country plans a GLSS survey once every five years, complemented with a CWIQ every year (*Interim PRSP* 2000).

As one of the countries implementing early poverty assessment surveys, Ghana used for the first two GLSS rounds a relative poverty threshold set in 1987/88 and no equivalence scale. However, the methodology for estimating poverty was later switched to a cost of basic needs approach and to the use of an equivalence scale. The new absolute poverty lines set in 1998, adjusted for changes in prices over time, were applied to previously collected data (1991/92) and to the next round of survey (2005/06). Thus, a series of comparable statistics over time, based on the latest international standards in poverty research, are now available for the country.

It is worth noting that the official publications on poverty in Ghana provide comprehensive information on methodology employed in data collection and in poverty measurement. At the same time, the extensive and comparable over time poverty profiles provided in these reports constitute a sound basis for policymaking and the evaluation of policies implemented.

## Guinea

Guinea, a country with a population estimated at 9,214,072 in 2004, <sup>18</sup> was ranked 160th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). Its economy has been dominated by the rural sector (which provides a means of livelihood for the majority of the population) and the mining sector (exploiting bauxite, gold, diamonds, and iron). Beginning in the mid-1980s, Guinea transitioned from a planned to a market-oriented economy and implemented reforms for macroeconomic stabilization. The positive effects were reflected in an average economic growth of 4.4 per cent between 1995 and 1999 (Republic of Guinea, 2002). The improvements were disrupted between 2000 and 2003 by dramatic changes in commodity prices, a shortfall in foreign aid, and border insecurity due to the massive displacement of populations from neighbouring countries (Liberia, Sierra Leone, Guinea-Bissau, and Côte d'Ivoire). As a result economic growth slowed down (two per cent in 2000 versus 3.6 per cent in 1999), particularly for the primary sector (-2.3 per cent in 2000 versus 5.7 per cent in 1999). Between 1996 and 2005, the average annual GDP growth was 3.6 per cent, placing Guinea in the group of African countries with slow growth over the period (World Bank, 2006c). The real GDP per capita (in 2000 US dollars) increased from 340 in 1990 to 370 in 1999, and thereafter fluctuated in the range of 370-380 (World Bank, 2006c).

Policies on macroeconomic development and budgetary policies were implemented in the second half of the 1980s and in the 1990s. They were complemented after 1995 by programmes that aimed to place people at the centre of the development process (Republic of Guinea, 2002). In 1995 a *National Human Development Programme* was prepared and in 1997 it was validated. Also, beginning in 1997, the Government of Guinea and the World Bank developed a new framework for poverty reduction. Within this framework, several components were implemented: the village-level community support programme, the institutional capacity-building programme for improved delivery of public services, and the reproductive health project. Based on experience from these initiatives, Guinea drafted a *Poverty Reduction Strategy Paper* (PRSP) in January 2002. <sup>19</sup> A second PRSP was completed in June 2006.

The Government of Guinea recognizes that regular monitoring of poverty is an important dimension of the poverty reduction process (Republic of Guinea, 2002). Therefore, in 2002, it embarked on the creation of an Integrated Statistical Information System for Poverty Reduction, based on regular updates of poverty data.

## National household surveys for poverty assessment

Guinea was relatively late in starting to implement the household surveys on income and expenditure needed for the measurement and analysis of monetary poverty. So far only two such surveys have been conducted in the country, eight years apart. These are the 1994/95 Household Integrated Budget-Consumption Survey (EIBC) and the 2002/03 Basic Integrated Poverty Assessment Survey (EIBEP). Data on the non-monetary dimensions of poverty have been collected since 1991 through a Priority Information Survey, three Demographic and Health Surveys (DHS), and a Multiple Indicator Cluster Survey (MICS) (table GN.1). Such data as well as data from the 1996 census were used to produce poverty maps at prefecture level. In 2002/03 a Core Welfare Indicators Questionnaire (QUIBB) was implemented at the same time as the 2002/03 EIBEP survey.

<sup>&</sup>lt;sup>18</sup> Guinea National Statistics Directorate (Direction Nationale de la Statistique), accessed on 25 April 2007 at www.stat-guinee.org.

<sup>&</sup>lt;sup>19</sup> Guinea qualified for interim debt relief under the Enhanced HIPC Initiative in 2002.

Table GN. 1. Sources of data for poverty analysis in Guinea, since 1985

| National Survey   | н     | Year of<br>survey   | Income<br>and<br>expenditure | Non-<br>monetary<br>dimensions<br>of poverty |
|---|-------|---------------------|------------------------------|--|
| Household Integrated Survey<br>(Enquête Intégrale Budget Consommation)                                    | EIBC  | 1994/95             | <b>√</b>                     | <b>√</b>                                     |
| Basic Integrated Poverty Assessment Survey<br>(Enquête Intégrée de Base pour l'Evaluation de la Pauvreté) | EIBEP | 2002/03             | √                            | √  |
| Core Welfare Indicators Survey<br>(Questionnaire unifié des indicateurs de base du bien-être)             | QUIBB | 2002/03             |                              | <b>V</b>                                     |
| Priority Information Survey<br>(Enquête sur les informations prioritaires)                                | ESIP  | 1991                |                              | √  |
| Demographic and Health Survey<br>(Enquête démographique et de santé en Guinée)                            | DHS   | 1992, 1999,<br>2005 |                              | <b>√</b>                                     |
| Multiple Indicator Cluster Survey<br>(Enquête à Indicateurs Multiples)                                    | MICS  | 1996                |                              | ✓  |

**Sources:** Guinea National Statistics Directorate (Direction Nationale de la Statistique); World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, *IHSN Central Survey Catalog*, accessed on 25 April 2007 at <a href="https://www.internationalsurveynetwork.org">www.internationalsurveynetwork.org</a>.

# **Poverty measurement**

In Guinea, monetary poverty has been measured based on expenditure data collected in the 1994/95 EIBC and 2002/03 EIBEP surveys and absolute poverty lines.<sup>20</sup> The first poverty lines established for 1994/95 were obtained following a food energy intake method (World Bank, 1997), while the poverty lines for 2002/03 were derived from the cost of basic needs approach. In order to obtain comparable poverty statistics, the poverty lines set for the 2002/03 EIBEP were adjusted for differences in prices over time and used to re-estimate the poverty level for 1994/95.

## Consumption aggregate

The 1994/95 EIBC and 2002/03 EIBEP surveys used relatively similar methods of data collection. To record the frequent expenditures the urban households were interviewed during 11 visits at three-day intervals, while the rural households were interviewed in 16 visits at two-day intervals. The non-frequent expenditures were recorded based on retrospective questionnaires. The few differences between the two surveys related to the treatment of barter transactions, which were not taken into account in the 1994/95 EIBC, the sampling design, which was changed from one survey to the other, and the capturing of geographical differences in cost of living, which is better tackled by the 1994/95 EIBC.

The methodology presented in Guinea's profile is based on the report *Enquete integree de base pour l'evaluation de la pauvrete* (EIBEP) 2002/03. *Profil monetaire de la pauvrete* (Direction Nationale de la Statistique, 2005).

The consumption aggregate included both expenditures on purchased items as well as consumption of home-produced goods. In 2002/03, household consumption of own produce was valued based on prices collected during the household survey. No equivalence scale was used to adjust for differences in the age and sex composition of the households.

#### **Poverty lines**

The 2002/03 poverty lines were derived from the cost of basic needs approach. To establish the food poverty line, the minimum energy requirement considered was 2,100 calories per person per day. The selected food basket comprised 30 items representing nearly 80 per cent of all food consumption. The food basket covered slightly over 1,600 calories therefore its value was increased to correspond to 2,100 calories. The prices used to value the basket were collected during the survey. Based on these prices, which were different from one type of locality to another, three food poverty thresholds were calculated: for Conakry, other urban areas, and rural areas (table GN.2).

The overall poverty lines for the three types of localities (table GN.2) were set based on the proportion of food consumption in total expenditure for each reference population, using econometric regressions. For estimates of poverty at national level, the Conakry thresholds were used along with price deflators for the other two types of localities.

The same approach for setting the poverty line could not be followed for 1994/95, because in the 1994/95 survey purchasers' values (rather than quantities and unit prices) were collected. In order to obtain comparable statistics over time, the 2002/03 poverty lines were adjusted for the changes in prices between 1994/95 and 2002/03 using the national Consumer Price Index data. This approach implicitly assumed that relative prices between the three types of localities remained constant over the period. To calculate poverty thresholds for each type of area, a price deflator was used. This was equal to the ratio of the Conakry poverty line to the poverty line specific to the locality pertaining to the household.

Table GN. 2. Poverty lines by type of locality, Guinea, EIBC 1994/95 and EIBEP 2002/03

|                   | EIBC 1994/95   | EIBEP   | EIBEP 2002/03  |  |  |
|-------------------|--|---|--|--|--|
|                   | Overall poverty line<br>(Guinea francs<br>per capita per year) | Food poverty line<br>(Guinea francs<br>per capita per year) | Overall poverty line<br>(Guinea francs per capita<br>per year) |  |  |
| Conakry           | 264,998  | 228,900   | 387,692  |  |  |
| Other urban areas | 214,427  | 201,020   | 313,706  |  |  |
| Rural areas       | 186,483  | 185,058   | 272,825  |  |  |

Source: Direction Nationale de la Statistique, 2005, Enquête intégré de base pour l'evaluation de la pauvreté en Guinée (EIBEP) 2002-2003.

# Poverty profile

In Guinea, overall poverty declined from 63 per cent in 1994/95 to 49 per cent in 2002/03. In this time period, the headcount index increased in urban areas from 18 per cent to 24 per cent and decreased in rural areas from 82 per cent to 60 per cent (Republic of Guinea, 2006a).

## Poverty by type of locality

In 2002/03, the rural population was poorer than the urban population by all poverty measures. Sixty per cent of the population in rural areas was overall poor, compared to 24 per cent in urban areas (table GN.3). With respect to the food poverty line, the headcount index was 25 per cent in rural areas, while only five per cent in urban areas. Poverty depth and severity of poverty were also much higher in rural areas (table GN.3).

Most of the poor of the country were living in rural areas: 86 per cent of the overall poor and 93 per cent of the food poor were rural residents (table GN.3).

Table GN. 3. Headcount index, distribution of poor, poverty depth, and severity of poverty, by type of locality, Guinea, EIBEP 2002/03

|                      | Headcount index<br>(per cent) | Distribution of poor<br>(per cent) | Poverty<br>depth | Severity<br>of poverty |
|----------------------|-------------------------------|------------------------------------|------------------|------------------------|
| Overall poverty line |                               |                                    |                  |                        |
| Urban areas          | 24                            | 14                                 | 0.060            | 0.024                  |
| Conakry              | 21                            | 6                                  | 0.049            | 0.019                  |
| Other urban areas    | 27                            | 8                                  | 0.073            | 0.029                  |
| Rural areas          | 60                            | 86                                 | 0.219            | 0.105                  |
| All areas            | 49                            | 100                                | 0.172            | 0.081                  |
| Food poverty line    | 14                            | 2                                  |                  |                        |
| Urban areas          | 5                             | 7                                  | 0.026            | 0.015                  |
| Conakry              | 3                             | 3                                  | 0.020            | 0.012                  |
| Other urban areas    | 6                             | 4                                  | 0.032            | 0.018                  |
| Rural areas          | 25                            | 93                                 | 0.143            | 0.084                  |
| All areas            | 19                            | 100                                | 0.108            | 0.064                  |

Source: Guinea National Statistics Directorate, 2005, Enquête intégré de base pour l'evaluation de la pauvreté en Guinée (EIBEP) 2002-2003.

## Poverty by region

Upper Guinea, Middle Guinea, and Forest Guinea were the poorest regions of the country, with more than half of their populations living below the overall poverty line in 2002/03 (table GN.4). Together, the three regions accounted for more than three quarters of the total number of poor in Guinea. These regions also had the highest poverty depth and severity of poverty.

| Table GN. 4. Headco | ant index, distribution of poor, poverty depth, |
|---------------------|---|
| and severity of p   | overty, by region, Guinea, EIBEP 2002/03        |

| -             | Headcount index (per cent) | Distribution of poor (per cent) | Poverty<br>depth | Severity of poverty |
|---------------|----------------------------|---------------------------------|------------------|---------------------|
| Upper Guinea  | 68                         | 29                              | 0.264            | 0.131               |
| Middle Guinea | 55                         | 25                              | 0.208            | 0.107               |
| Forest Guinea | 54                         | 23                              | 0.183            | 0.080               |
| Lower Guinea  | 40                         | 17                              | 0.124            | 0.052               |
| Conakry       | 21                         | 6                               | 0.049            | 0.019               |
| All regions   | 49                         | 100                             | 0.172            | 0.081               |

**Source:** Guinea National Statistics Directorate, 2005, *Enquête intégré de base pour l'evaluation de la pauvreté en Guinée (EIBEP) 2002-2003*. **Note:** Based on the overall poverty line.

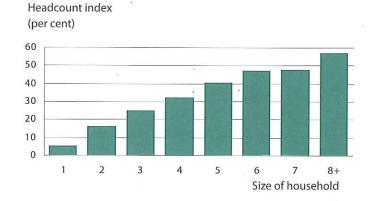
#### Poverty by household size

The population in larger sized households had higher poverty rates than those in small ones. The headcount index varied from five per cent for people in single-person households to 57 per cent for people in households with at least eight persons. However, the change in the headcount index with increased size of the household may be overestimated because the measurement of poverty did not take into account the issue of economies of scale.

# Poverty by socio-economic group of the head of the household

According to the socio-economic group of the household head,<sup>21</sup> people living in households where the head was a subsistence farmer or animal breeder were the most likely to be poor (table GN.5). In 2002/03 the headcount index

Figure GN. 1. Headcount index by household size, Guinea, EIBEP 2002/03



**Source:** Guinea National Statistics Directorate, 200, Enquête intégré de base pour l'evaluation de la pauvreté en Guinée (EIBEP) 2002-2003.

Note: Based on the overall poverty line.

for these two groups was 63 per cent and 72 per cent, respectively. These were also the groups with the highest poverty depth and severity of poverty. In terms of distribution of poverty across socio-economic

<sup>&</sup>lt;sup>21</sup> The socio-economic groups were established using the professional status and economic sector (public, semi-public, and private) of the main occupation of the household head.

Table GN. 5. Headcount index, distribution of poor, poverty depth, and severity of poverty, by socio-economic group of the household head, Guinea, EIBEP 2002/03

|   | Headcount<br>index<br>(per cent) | Distribution<br>of poor<br>(per cent) | Poverty<br>depth | Severity of poverty |
|---|----------------------------------|---------------------------------------|------------------|---------------------|
| Self-employed animal breeders                                     | 72                               | 1                                     | 0.290            | 0.144               |
| Self-employed subsistence farmers                                 | 63                               | 53                                    | 0.232            | 0.112               |
| Non-active and uncategorised workers                              | 49                               | 29                                    | 0.173            | 0.084               |
| Self-employed farmers with cash crops for export or local markets | 44                               | <1                                    | 0.172            | 0.080               |
| Self-employed in informal sector of non-food vendors              | 36                               | 9                                     | 0.105            | 0.043               |
| Other self-employed in informal sector                            | 34                               | 2                                     | 0.093            | 0.036               |
| Self-employed in formal sector                                    | 27                               | <1                                    | 0.040            | 0.007               |
| Self-employed in informal sector of food vendors                  | 25                               | 2                                     | 0.068            | 0.028               |
| Employees in public and semi-public sector                        | 21                               | 3                                     | 0.047            | 0.017               |
| Employees in private farming and non-farming sector               | 17                               | 1                                     | 0.050            | 0.019               |
| All socio-economic groups   | 49                               | 100                                   | 0.172            | 0.081               |

**Source:** Guinea National Statistics Directorate, 2005, *Enquête intégré de base pour l'evaluation de la pauvreté en Guinée (EIBEP)* 2002-2003.

Notes: Based on the overall poverty line.

groups, more than half of the total number of poor was living in households headed by a subsistence farmer. The households headed by animal breeders accounted for only one per cent of all the poor.

A third category of agricultural workers for the household head, export crop farmers, depicted a different risk of poverty: the headcount index, poverty depth, and severity of poverty were lower for people living in such households compared to those living in households headed by subsistence farmers or animal breeders (table GN.5).

At the opposite end of the occupational spectrum, people living in households headed by formal employees in the public and semi-public sector and in the private sector were less likely to be poor. The headcount index for these groups of population was 21 per cent and 17 per cent, respectively. People living in households headed by the self-employed in the informal sector had headcount index values that fell between those recorded for agricultural workers and those for formal employees (table GN.5).

# Poverty by sex of the household head

People living in male-headed households were more likely to be poor than those living in female-headed households. Based on the overall poverty line, the headcount index for the two groups was 50 per cent and 43 per cent, respectively. The depth of poverty and severity of poverty were also higher for those living in male-headed households (table GN.6). According to Guinea's 2006 PRSP, the lower headcount index for

<sup>&</sup>lt; 1 indicates magnitude nil or less than half of the unit employed.

| Table GN. 6. Headcount index, poverty depth, and severity of po | verty, |
|---|--------|
| by marital status of the household head, Guinea, EIBEP 2002     | /03    |

|                          | Headcount index<br>(per cent) | Poverty<br>depth | Severity of poverty |
|--------------------------|-------------------------------|------------------|---------------------|
| Female-headed households | 43                            | 0.143            | 0.065               |
| De facto <sup>1)</sup>   | 40                            | 0.116            | 0.047               |
| De jure <sup>2)</sup>    | 43                            | 0.143            | 0.064               |
| Male-headed households   | 50                            | 0.176            | 0.084               |
| Monogamous               | 43                            | 0.143            | 0.065               |
| Polygamous               | 60                            | 0.224            | 0.110               |
| Single                   | 29                            | 0.091            | 0.040               |
| All categories           | 49                            | 0.172            | 0.081               |

Source: Guinea National Statistics Directorate, 2005, Enquête intégré de base pour l'evaluation de la pauvreté en Guinée (EIBEP) 2002-2003.

Notes: Based on the overall poverty line.

female-headed households relative to that of male-headed households could be explained by the smaller size of female-headed households and by the fact that women heads were more likely to receive transfers from others (Republic of Guinea, 2006a).

People living in *de jure* female-headed households had a slightly higher poverty rate in 2002/03 compared to those living in *de facto* female-headed households, 43 per cent compared to 40 per cent. The poverty depth and severity of poverty were also higher for *de jure* female-headed households (table GN.6). Among people living in male-headed households, the polygamous marital status of the head was associated with a higher poverty rate, 60 per cent compared to 43 per cent in the case of monogamous households.

# **Concluding remarks**

Monetary poverty statistics in Guinea have been produced for only two points in time, based on the 1994/95 EIBC and the 2002/03 EIBEP surveys. For the coming years, the Integrated Statistical Information System for Poverty Reduction, introduced in 2002, called for further implementation of quantitative and qualitative surveys, updates of the Guinea poverty map, and the building of a database using the IMF General Data Dissemination System (GDDS) framework (Republic of Guinea, 2002, 2006a, and 2006b).

The estimates for poverty at national level and by type of locality for 1994/95 and 2002/03 were based on the same poverty levels established in 2002/03 following the cost of basic needs approach, adjusted for differences in prices between the two points in time. While the setting of the poverty line demonstrates the

<sup>1)</sup> De facto female-headed households refer to households headed by women whose male partner is temporarily away (for example, because of temporary migration for work or because of polygamy).

<sup>2)</sup> De jure female-headed households refer to households headed by women with no partner.

implementation of the latest standards in international poverty research, the national poverty estimates in Guinea have not yet been based on equivalence scales.

Poverty statistics disaggregated by geographical area and household characteristics were produced and disseminated for 2002/03, but changes in poverty over time according to these categories have not yet been assessed. Policymaking and policy assessment would benefit further if such comprehensive information on changes in poverty for specific groups was provided.

# Guinea-Bissau

Guinea-Bissau, a country with an estimated 1,295,841 population in 2004 (United Nations, 2007), was ranked 173rd (out of 177) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). Its economy is based on agriculture and fishing, which account for about 63 per cent of total GDP and generate livelihoods for the great majority of the people. After independence in 1974, the country was characterised for more than a decade and a half by centralised economic management, distorted resource allocation, and lack of attention to agricultural development (República da Guiné-Bissau, 2000). Guinea-Bissau implemented a comprehensive reform programme in the late 1980s and intensified structural adjustment efforts after 1994, reducing the internal and external imbalances (República da Guiné-Bissau, 2000). The real GDP grew by about four per cent a year on average over the 1994-1997 period. In 1998, the real GDP declined by 28 per cent as a result of the armed conflict in 1998-1999, which destroyed the country's economic and social infrastructure. After a slight recovery in 1999-2000, the country's macroeconomic and fiscal situation deteriorated throughout 2001-2003 (World Bank, 2006a). The real GDP per capita (constant prices in 2000 US dollars), which increased from 144 in 1998 to 158 in 2000, declined to 134 dollars in 2004 (World Bank, 2006c).

Guinea-Bissau completed an interim *Poverty Reduction Strategy Paper* (PRSP) in 2000, and a full PRSP was drafted in 2004.<sup>22</sup> The two documents recognised the critical need of a system for monitoring poverty in Guinea-Bissau. Such a system would enforce the collection of data through household surveys on a regular basis and support the regular updating of the country's poverty profile.

## National household surveys for poverty assessment

In the last two decades, Guinea-Bissau has carried out four surveys that collected the data on income and expenditure necessary for the measurement and analysis of monetary poverty. The first three were conducted between 1986 and 1993, and the fourth one, the 2002 Poverty Assessment Survey (ILAP), was implemented only nine years after the previous surveys. ILAP 2002 collected data based on the unified questionnaire for Core Welfare Indicators (CWIQ) and served as a benchmark for a series of social statistics in the country, complementing the results of the 2000 Multiple Indicator Cluster Survey.

In 2005, a Qualitative Survey on Integrated Poverty and Social Assessment collected data on perceptions of poverty, means of livelihood, institutions, conflict, and delivery of services. These data were used by the World Bank in the 2006 country poverty assessment (World Bank, 2006a) to analyse the subjective well-being of categories of the population according to their living standards, as measured by an asset index.

## Poverty measurement

The income and expenditure data collected around 1990 have not been used by the country to estimate levels of monetary poverty. Data from the 1991 survey was analysed by the World Bank and the results were published in a 1994 country poverty assessment (World Bank, 1994b). The poverty measurement followed the relative poverty threshold approach.

Based on the 2002 Light Poverty Assessment Survey (ILAP 2002) a poverty assessment was done by the Guinea-Bissau National Institute of Statistics and Censuses. Poverty estimates were provided following the international poverty lines of one US dollar and two US dollars a day, expressed in adult equivalent

<sup>&</sup>lt;sup>22</sup> Guinea-Bissau reached the decision point under the Enhanced HIPC Initiative in 2000.

Table GW. 1. Sources of data for poverty analysis in Guinea-Bissau, since 1985

| National Survey  |      | Year of survey | Income<br>and<br>expenditure | Non-<br>monetary<br>dimensions of<br>poverty | Subjective<br>evaluations of<br>poverty |
|--|------|----------------|------------------------------|--|---|
| Light Household Survey<br>(Inquérito Ligeiro Junto as Familias)                      | ILJF | 1986, 1991     | <b>√</b>                     | interior                                     | in the same                             |
| Consumption Budget Survey<br>(Inquerito ao consumo e orcamentos familiars)           | ICOF | 1993           | √                            |  |   |
| Light Poverty Assessment Survey<br>(Enquête Légère pour l'Evaluation de la Pauvreté) | ILAP | 2002           | V                            | <b>√</b>                                     |   |
| Multiple Indicator Cluster Survey<br>(Inquérito Aos Indicadores Multiplos)           | MICS | 2000           |                              | √  |   |
| Qualitative Survey on Integrated<br>Poverty and Social Assessment                    |      | 2005           |                              | <b>√</b>                                     | $\checkmark$                            |

**Sources:** Guinea-Bissau National Institute of Statistics and Censuses (Instituto Nacional de Estatistica e Censos); World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, *IHSN Central Survey Catalog*, accessed on 25 April 2007 at <a href="https://www.internationalsurveynetwork.org">www.internationalsurveynetwork.org</a>.

terms. Slightly different estimates, based on a similar methodology, were provided in the 2006 World Bank report *Guinea-Bissau*, *Integrated Poverty and Social Assessment*. The information on poverty measurement and the poverty profile presented in this publication are based on the 2002 final report of the National Institute of Statistics and Censuses.

## Consumption aggregate

The 2002 ILAP survey was conducted between March and May 2002. The total household expenditure included the value of purchased goods and services, consumption of home-produced food, imputed rent for owner-occupied dwellings, and transfers. The consumption of home-produced goods was valued using prices collected during the survey in the enumeration area where the household was located.

## Equivalence scale

To adjust for differences in age composition of the households, Guinea-Bissau used the Oxford Scale which assigns a value of one to persons aged 15 years or older (adults) and 0.5 to those below 15 years (children), irrespective of sex.

## **Poverty lines**

The approach used in estimating poverty in 2002 was based on the international thresholds of one US dollar and two US dollars per person per day in 1985 PPP prices. In order to calculate these thresholds a conversion of the \$1 PPP 1985 into CFA francs for the reference period of the survey was done, taking the following steps: first, using the United States inflation rate, the 1985 dollar was converted into \$1.55 in 1999 prices, the year when the conversion rate in PPP was available for Guinea-Bissau (World Bank, 2001); second, the result was converted into 1999 CFA francs, using the 1999 PPP conversion factor (equal

to 167.3); third, this value was inflated using the Consumer Price Index for the capital, Bissau (1.14 price inflation between 1999 and March-April 2002). The resulting lower poverty line (one dollar a day) for 2002 was 108,000 CFA francs per year per adult equivalent. The upper poverty line (two dollars a day) was 216,000 CFA francs per year per adult equivalent.

## **Poverty profile**

In 2002, nearly two thirds of the population of Guinea-Bissau was living on less than two dollars a day and about a fifth on less than one dollar a day (in 1985 PPP prices per adult equivalent) (table GW.2). Bissau, had 52 per cent of its inhabitants living on less than two dollars a day (the upper poverty line), representing 21 per cent of the total number of poor in the country. The rest of the country had 70 per cent of the inhabitants living on less than two dollars a day. The disparity in poverty between Bissau and the other regions was also observed in the poverty depth and severity of poverty. A similar pattern is evident for the lower poverty line (table GW.2)

Table GW. 2. Headcount index, distribution of poor, poverty depth, and severity of poverty, Guinea-Bissau, ILAP 2002

| Headcount<br>index<br>(per cent) | Distribution<br>of poor<br>(per cent)                        | Poverty<br>depth   | Severity<br>of poverty  |
|----------------------------------|--|--|---|
| equivalent)                      |  |  |   |
| 52                               | 21   | 0.17   | 0.07  |
| 70                               | 79   | 0.28   | 0.14  |
| 65                               | 100  | 0.25   | 0.12  |
| equivalent)                      |  |  | -1.2  |
| 9                                | 12   | 0.02   | 0.01  |
| 25                               | 88   | 0.07   | 0.03  |
| 21                               | 100  | 0.05   | 0.02  |
|                                  | index (per cent)  equivalent)  52  70  65  equivalent)  9 25 | index (per cent) (per cent)  equivalent)  52 21  70 79  65 100  equivalent)  9 12  25 88 | index (per cent) of poor (per cent) depth  equivalent)  52 21 0.17  70 79 0.28  65 100 0.25  equivalent)  9 12 0.02  25 88 0.07 |

Source: Instituto Nacional de Estatística e Censos, 2002, Relatório final ILAP (Inquérito Ligeiro para Avaliação de Pobreza) QUIBB.

## Poverty by administrative regions

All the regions of Guinea-Bissau had more than half of their population living below two US dollars a day, the upper poverty line. The highest headcount index in 2002 was recorded for Oio region (80 per cent). Excluding Bissau, the lowest headcount index, 63 per cent, was observed for the region of Biombo/Bulama. The ranking for the lower poverty line (defining extreme poverty) was slightly different (table GW.3). However, Oio remained the poorest region, with more than one third of its population living on less than one US dollar a day. Biombo/Bulama remained the least poor (excluding Bissau), with 14 per cent extremely poor. In terms of poverty distribution across regions, the largest share of the poor, corresponding to the upper poverty line, was living in Bissau and in the Oio region.

Table GW. 3. Headcount index and distribution of poor by region, Guinea-Bissau, ILAP 2002

| ¥               |                               | Upper poverty threshold (US\$2 a day per adult equivalent) |                            | rty threshold<br>adult equivalent) |
|-----------------|-------------------------------|--|----------------------------|------------------------------------|
|                 | Headcount index<br>(per cent) | Distribution of poor (per cent)                            | Headcount index (per cent) | Distribution of poor<br>(per cent) |
| Oio             | 80                            | 18   | 34                         | 24                                 |
| Bafata          | 72                            | 14   | 26                         | 15                                 |
| Quinara/Tombali | 69                            | 12   | 23                         | 13                                 |
| Gabu            | 66                            | 12   | 19                         | 11                                 |
| Cacheu          | 64                            | 14   | 28                         | 19                                 |
| Biombo/Bulama   | 63                            | . 9  | 14                         | 6                                  |
| Bissau          | 52                            | 21   | 9                          | 12                                 |
| All regions     | 65                            | 100  | 21                         | 100                                |

Source: Instituto Nacional de Estatística e Censos, 2002, Relatório final ILAP (Inquérito Ligeiro para Avaliação de Pobreza) QUIBB.

#### Poverty by sex of the household head

At national level people living in households headed by men were more likely to be poor than those living in households headed by women. Among people living in male-headed households, 66 per cent were poor (corresponding to the US\$2 threshold) compared to 56 per cent in the case of female-headed households (Instituto Nacional de Estatística e Censos, 2002). In Bissau, the headcount index was almost the same: 52 per cent for people living in male-headed households and 51 per cent for people living in female-headed households.

#### Poverty by household size

People living in large households had higher levels of poverty compared to small households. For the upper poverty line, 36 per cent of persons living in households with less than five members was poor, compared to 79 per cent of those living in households with more than 12 members (Instituto Nacional de Estatística e Censos, 2002). The headcount index corresponding to the lower poverty line was seven per cent and 38 per cent, respectively.

# **Concluding remarks**

Several income and expenditure surveys have been conducted in the last two decades in Guinea-Bissau, but only one in the last decade. Moreover, country-produced poverty statistics in Guinea-Bissau are available for 2002 only. The country's *Poverty Reduction Strategy Papers* (interim and full report) recognize the critical need for conducting household surveys on a regular basis and for using the collected data to construct updated country poverty profiles.

The 2002 poverty estimates produced by the country were based on the international poverty thresholds of one dollar and two dollars a day. The World Bank estimates for a previous survey were obtained by using relative poverty thresholds. Thus, Guinea-Bissau is one of the few ECOWAS countries with no estimates for changes in poverty over time.

## Liberia

Liberia, a country with an estimated population of 3,096,557 in 2003,<sup>23</sup> had an economy historically based on commodities such as rubber, timber, iron, and diamonds. For Liberia, the 1980s were characterised by economic decline, which was exacerbated by a civil war at the end of the decade. By the time the war ended, in 1997, national and civil institutions had been destroyed, most foreign businesses had left the country, and production activities had collapsed (Republic of Liberia, 2006). In the next few years there was no perceptible improvement and the resulting civil unrest culminated in rebel attacks in 2003. The real GDP per capita (in 2000 US dollars), which had declined sharply from 744 in 1980 to 134 in 1998, increased to 187 in 2002, and then declined again to 130 in 2004 (World Bank, 2006c). A Comprehensive Peace Agreement was signed in Accra, Ghana, in 2003 and peace was consolidated thereafter.

Poverty alleviation policies and programmes in Liberia started as humanitarian and emergency aid during the civil war (1989-1996) and continued with post-war programmes on resettlement and re-integration of the population and rehabilitation of facilities providing basic services to the population (1997-2000) (UNDP, 2001a). In 1998 the Liberian Government produced the *National Reconstruction Plan* 1998-2000, and, later, the *National Reconstruction and Development Plan* 2001–2006. The two plans sought to create an environment conducive to poverty reduction, growth, and development. However, many aspects of the intended programmes were not fully implemented. Between 2003 and 2006 the *Results Focused Transitional Framework* was developed, and, with installation of the new government in 2006, the 150-Day Action Plan was introduced. Based on all these programmes Liberia completed an interim *Poverty Reduction Strategy Paper* (PRSP) in 2006. The country intends to prepare a full MDG-based Poverty Reduction Strategy, to be launched in 2008 (Republic of Liberia, 2006).

According to the 2006 interim PRSP, the main limitation in preparing the poverty reduction strategy was the lack of up-to-date information and statistics on current socio-economic conditions in the country. It was recognised that the scarcity of data and the frail social and economic diagnostic had so far led to poorly designed policies. In order to avoid the same risk in the preparation of the full PRSP, Liberia intends to conduct a new population and housing census in 2008 and to implement, for the first time, a Core Welfare Indicators Survey that would include a consumption module (Republic of Liberia, 2006).

# National household surveys for poverty assessment

As became apparent during the preparation of the 2006 interim PRSP, a critical challenge faced by Liberian policymakers was the absence of nationwide data on socio-economic conditions, and particularly, on consumption poverty. The main survey conducted in the country in the last two decades, the Demographic and Health Survey (DHS), collected data on non-monetary dimensions of poverty, such as education and health. Since 1985, three DHS have been carried out. The 1999 survey sample served as a sampling frame for the only collection of consumption data that had taken place in Liberia. In 2000, 10 per cent of the households from the 1999 sample of DHS were re-interviewed. The questionnaire included items on sources of income, expenditure, basic demographic and social characteristics of the household head, housing conditions, ownership of dwellings and land, perceptions of poverty, and identification information on the household and its location, which was needed to link the 2000 data with data from the 1999 DHS. Based on the information gleaned, UNDP constructed a poverty profile for Liberia, which was published in 2001. The information on poverty measurement and the poverty rates presented in this report are based entirely on the 2001 UNDP publication *Poverty Profile of Liberia*.

<sup>23</sup> Liberia Institute for Statistics and Geo-Information Services, quoted by 2006 Liberia National Human Development Report.

Table LR. 1. Sources of data for poverty analysis in Liberia, since 1985

| National Survey                   | a    | Year of<br>survey      | Income<br>and<br>expenditure | Non-<br>monetary<br>dimensions of<br>poverty | Subjective<br>evaluations of<br>poverty |
|-----------------------------------|------|------------------------|------------------------------|--|---|
| Liberia Poverty Profile           |      | 2000                   | $\checkmark$                 | w 11.  | - √                                     |
| Demographic and Health Survey     | DHS  | 1986, 1999,<br>2006/07 |                              | <b>V</b>                                     |   |
| Multiple Indicator Cluster Survey | MICS | 1995                   |                              | √.   |   |

**Sources:** Liberia Institute of Statistics and Geo-Information Services; World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at *www.worldbank.org*; International Household Survey Network, *IHSN Central Survey Catalog*, accessed on 25 April 2007 at *www.internationalsurveynetwork.org*.

## **Poverty measurement**

According to the 2001 UNDP report, the 1998 UN Common Country Assessment was the first to provide poverty estimates for Liberia, based on income data.<sup>24</sup> By contrast, the 2001 UNDP study, similar to the methodology applied in the other ECOWAS countries, used expenditure data (United Nations Development Programme, 2001a) to measure poverty. The poverty lines applied were one dollar a day per person and half a dollar a day per person.

#### **Consumption aggregate**

The consumption aggregate included expenditures for food and non-food items currently needed, such as energy, transportation, education, and housing. Consumption from the household's own production was included. Other categories, considered by experts to be left out for the consumption aggregate, were also included. These included savings, investments, and expenditure on health and social obligations—marriage/burial/charity, contribution to family/community (solidarity networks). The cost of items was recorded as unit prices at the nearest market or at the source of the service, at the time of each purchase, and the total expenditure calculated based on frequency of consumption. Food consumption was estimated based on information on the composition of food prepared on the day of the interview or the day before (rice, cassava/potatoes, oil, vegetables/greens, and others), and the frequency of consumption of meat/chicken and fish.

The period of data collection, August 2000, is considered the most difficult season for rural agricultural households, falling between one harvest and the next when food stocks are at their lowest. Therefore the poverty rates may be overestimated.

No adjustments were made to account for differences in the age and sex composition of the households.

 $<sup>^{24}</sup>$  We were not able to identify the source of data for the 1998 income-based poverty assessment.

#### **Poverty lines**

The upper poverty line was set at one US dollar a day per person and the lower poverty line at half a US dollar a day per person, based on 1985 PPP. At that time the exchange rate was 40 Liberian dollars to one US dollar.

The poverty rates estimated by the 2001 UNDP study and presented in this country profile were not expressed on a per capita basis, but only household based.

## **Poverty profile**

In 2000, 76 per cent of households in Liberia were living on less than one US dollar a day per person, and 52 per cent of households on less than half a US dollar a day per person (UNDP, 2001a). According to the *Liberia Millennium Development Goals Report 2004*, it is unlikely that the first MDG goal—to reduce by half, by the year 2015, the proportion of people living on less than one US dollar a day—will be reached by the country (Government of Liberia and United Nations in Liberia, 2004).

#### Poverty by type of locality

All types of localities were critically affected by poverty in Liberia. In 2000, Monrovia, the capital city, had about half of its households living on less than one US dollar a day per person. In rural areas and in the concession towns, 86 per cent of the households were living on less than one dollar a day per person and more than 60 per cent were extremely poor, living on less than half a dollar a day per person (table LR.2).

Table LR. 2. Headcount index by type of locality, Liberia, 2000

| *                   | Headcount index (pe                               | Headcount index (per cent of households)            |  |  |
|---------------------|---|---|--|--|
|                     | Upper poverty line<br>(US\$1 a day<br>per person) | Lower poverty line<br>(US\$0.5 a day<br>per person) |  |  |
| Monrovia            | 51  | 22  |  |  |
| County headquarters | 75  | 40  |  |  |
| Concession towns    | 86  | 60  |  |  |
| Rural settlements   | 86  | 65  |  |  |
| All areas           | 76  | 52  |  |  |

Source: United Nations Development Programme, 2001, Poverty Profile of Liberia.

## Poverty by sex of the household head

Female-headed households had lower poverty rates, 69 per cent compared to 78 per cent for male-headed households, based on the upper poverty line. The same disparity of poverty rates was observed for the lower poverty line (table LR.3). Among the reasons suggested by the authors of *Poverty Profile of Liberia* (UNDP, 2001a), was that relatively more women worked in the informal sector where incomes were higher. Other reasons cited were inheritance from husbands and near kin, higher educational levels for women

heading households, and higher proportions of women head of households with other independent sources of income.

Table LR. 3. Headcount index by sex of the household head, Liberia, 2000

|                          | Headcount index (per cent of households)       |   |  |  |
|--------------------------|--|---|--|--|
| *                        | Upper poverty line<br>(US\$1 a day per person) | Lower poverty line<br>(US\$0.5 a day per person |  |  |
| Female-headed households | 69   | 42  |  |  |
| Male-headed households   | 78   | 55  |  |  |
| All households           | 76   | 52  |  |  |

Source: United Nations Development Programme, 2001, Poverty Profile of Liberia.

#### Poverty by education level of the household head

An estimated 81 per cent of households headed by a person with no education were living on less than one dollar a day per person. Households headed by persons with primary education or first cycle of secondary education (grades 7-9) did not fare better (table LR.4). Somewhat lower poverty rates were observed when the head had completed grades 10-12 or vocational school, and significantly lower rates were noted when the head was a college-educated person. Still, about half of the households headed by a college-educated person were living on less than one dollar a day per person.

Table LR. 4. Headcount index by education level of the household head, Liberia, 2000

|              | Upper poverty line<br>(US\$1 a day per person) |  | CONTRACTOR DESCRIPTION OF                      | verty line<br>y per person)                      |
|--------------|--|--|--|--|
|              | Headcount index<br>(per cent of households)    | Distribution of<br>poor households<br>(per cent) | Headcount index<br>(per cent<br>of households) | Distribution of<br>poor households<br>(per cent) |
| No education | 81   | 32   | 56   | 32   |
| 1-6 grade    | 82   | 19   | 60   | 21   |
| 7-9 grade    | 81   | 17   | 62   | 19   |
| 10-12 grade  | 72   | 24   | 46   | 22   |
| Vocational   | 70   | 3  | 40   | 2  |
| College      | 51   | 3  | 17   | 2  |

Source: United Nations Development Programme, 2001, Poverty Profile of Liberia.

**Note:** The categories "Arabic school" and "above college" were excluded from the table because of the small number of households sampled in those categories.

#### Poverty by occupation of the household head

The majority of households, regardless of the occupation group of the household head, was living on less than one dollar a day per person. The households headed by farmers were in the worst situation (table LR.5). Thus, 88 per cent of the households headed by a farmer were living on less than one US dollar a day per person, and 69 per cent were living on less than half a US dollar a day per person.

Table LR. 5. Headcount index by occupation of the household head, Liberia, 2000

| 6<br>6                 | and the second s | overty line<br>y per person)                     |  | Lower poverty line (US\$0.5 a day per person)    |  |  |
|------------------------|--|--|--|--|--|--|
|                        | Headcount index<br>(per cent of<br>households)   | Distribution of poor<br>households<br>(per cent) | Headcount index<br>(per cent of<br>households) | Distribution of<br>poor households<br>(per cent) |  |  |
| Farming                | 88   | 56   | 69   | 64   |  |  |
| Petty business         | 63   | 12   | 33   | 9  |  |  |
| Technical/Tradesperson | 68   | 9  | 39   | 8  |  |  |
| Professionals          | 58   | 5  | 28   | 4  |  |  |
| Others                 | 68   | 18   | 39   | 15   |  |  |

Source: United Nations Development Programme, 2001, Poverty Profile of Liberia.

# **Concluding remarks**

In Liberia, estimates of monetary poverty based on expenditure data have been produced only once in the last two decades. The country is among the few in the ECOWAS region that cannot yet assess changes in poverty over time due to lack of time series data. However, Liberia recognizes the importance of reliable statistics for policymaking and monitoring. A CWIQ Survey that would include a consumption module is planned to take place by 2008.

The 2000 data was analysed by UNDP, using the international poverty threshold of one dollar a day as an upper poverty line. The lower poverty line was set at half a dollar a day. No equivalence scales were used to adjust for the differences in the age and sex composition of households. Moreover, the information was not processed so as to provide poverty estimates on a per capita basis, but was only household based. For the proposed CWIQ survey, it is important to follow the latest international standards in poverty research, both in terms of data collection and poverty measurement. This would provide the country with a sound benchmark in poverty statistics, a necessary first step in constructing reliable and comparable statistics over time.

# Mali

Mali, a country with a 9,790,492 population at the 1998 census (Direction Nationale de la Statistique et de l'Informatique, 2001), was ranked 175th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). Its economy has been dominated by the primary sector—agriculture, stockbreeding, fishing, and mining—which accounts for 44 per cent of the GDP and provides livelihoods for the great majority of the active population (République du Mali, 2002). Since the early 1990s, Mali has embarked on a democratisation process and has gained political and social stability. The real GDP per capita (in 2000 US dollars), decreased from 220 in 1980 to 183 in 1990, but had a positive trend thereafter, reaching 239 in 2003 (World Bank, 2006c). Between 1996 and 2005 the average annual GDP growth was 5.7 per cent, placing Mali in the group of African countries with sustained growth over the period (World Bank, 2006c).

Since 1992, Mali has implemented structural adjustment programmes aimed at restoring macroeconomic balances and fiscal sustainability, with the support of the Bretton Woods Institutions (République du Mali, 2002). Poverty reduction increasingly became a matter of concern, and in 1998 the country completed its first poverty reduction strategy (*Stratégie Nationale de Lutte contre la Pauvreté*) (SNLP). The country deemed the PRSP process to be an opportunity to integrate macroeconomic and development policies with poverty reduction and human development strategies (République du Mali, 2002). Mali adopted an *Interim Strategic Poverty Reduction Framework* (SPRF) in 2000 and completed a full *Poverty Reduction Strategy Paper* (PRSP)<sup>25</sup> in 2002.

The effect of these policies on people's living standards is currently assessed in Mali through various indicators compiled by the PRSP monitoring system. Regarding monetary poverty, the country aims to have a periodic dissemination of analytical reports issued by the Observatory of Sustainable Human Development and Poverty Reduction (ODHD) and based on data collected, on a regular basis, by the National Directorate of Statistics and Data Processing (DNSI) (Republic of Mali, 2000 and 2005).

# National household surveys for poverty assessment

Three surveys relevant for the measurement and analysis of monetary poverty have been conducted in Mali in the last two decades (table ML.1): the 1988 Budget and Consumption Survey (EBC), the 1994 Malian Survey on the Economic and Social Situation (EMCES), and the 2001/02 Malian Poverty Assessment Survey (EMEP). The last survey, the 2001/02 EMEP, was designed as a multi-purpose survey. It collected data on expenditure, but also on health, education, employment, migration, and perceptions of poverty. A Unified Questionnaire of Development Indicators (QUID) was also implemented during the EMEP survey, with the objective of assessing the effect of policies, programmes, and projects on the living standards of the population (Direction National de la Statistique et de l'Informatique and Banque Mondiale, 2004).

Other sources provided data on non-monetary dimensions of poverty. Four Demographic and Health Surveys (DHS) were conducted between 1987 and 2006 and a Multiple Indicator Cluster Survey (MICS) was carried out in 1996. Also, a Light Household Integrated Survey (ELIM) is undertaken every two years with the objective of determining the levels and factors associated with the living conditions of the population (Republic of Mali, 2005). The first ELIM survey was carried out in 2003.

Subjective well being has been part of poverty monitoring in Mali. Three main exercises of subjective evaluations of poverty have been conducted so far (table ML.1). In 1997 a Population Aspirations Survey

<sup>&</sup>lt;sup>25</sup> Mali reached the completion point under the Enhanced HIPC Initiative in 2003 and received full debt relief.

was carried out, and for EMEP 2001/02 and ELIM 2003 the standard questionnaire was extended with a module on people's perceptions of poverty.

In addition to the household surveys, the 1998 census provided information that has been used to estimate non-monetary poverty in Mali. Data on infrastructure inventories in the areas of education, health, sources of drinking water, food security, and income access, were used to construct a poverty score for each locality of the country (République du Mali, 2002). This spatial analysis identified poor areas most in need of support and provided a basis for the allocation of resources.

## Poverty measurement

In Mali, monetary poverty has been measured based on expenditure data collected in the 1988/89 EBC, 1994 EMCES, and 2001/02 EMEP, and absolute poverty lines varying from one survey to another. Also, indirect poverty estimates were provided for two additional years, 1996 and 1998.

Poverty estimates for the EMCES 1994 and retrospective estimates for EBC 1988/89 were based on a "rice equivalent method" (Observatoire du Développement Humain Durable, 2005). The food expenditure was calculated based on one item only, rice. The food poverty line was calculated as the expenditure for the total annual consumption of rice needed to achieve the minimum caloric requirement of 2,450 calories per person per day, as recommended by the World Health Organization. The overall poverty line was the food poverty line multiplied by 1.5.

In between the 1994 EMCES survey and the 2001/02 EMEP survey, indirect estimates of poverty for the years 1996 and 1998 were provided by the Observatory of Sustainable Human Development and Poverty Reduction (Observatoire du Développement Humain Durable, 2005). These estimates were based on the 1994 data adjusted to reflect per capita GDP growth over time. However, as pointed out in the 2000 interim PRSP, the implicit and arguable assumption was that the expenditure distribution in 1994 was similar to the distribution in 1996 and in 1998. The poverty lines used were the 1994 poverty lines inflated to take account of changes in prices over time.

The EMEP 2001/02 data was analysed by DNSI and ODHD based on the food energy intake method and a minimum caloric requirement of 2,450 calories per day per person. Unlike previous estimates based on the rice equivalent method, this time all types of foods were taken into account. The results were published in a DNSI and World Bank report (2004) and in an ODHD report (2006), which are both being used in the presentation of this country profile. According to the DNSI and World Bank, the same poverty measurement methodology was applied to the 1988/89 data, making it possible to assess changes in poverty between 1988/89 and 2001/02 (Direction National de la Statistique et de l'Informatique and Banque Mondiale, 2004).

The 2001/02 data were also used by the World Bank to estimate poverty following an alternative approach, the cost of basic needs (Observatoire du Développement Humain Durable, 2006). Neither the methodology nor the poverty estimates of the World Bank were available for this report. However, according to ODHD, the World Bank estimates were significantly lower than the poverty rates calculated by DNSI and analysed by ODHD (Observatoire du Développement Humain Durable, 2006).

# **Construction of consumption aggregate**

The 2001/02 EMEP data were collected from 15 January 2001 to 15 January 2002. To obtain the food consumption of a household, all the ingredients used to prepare family meals (breakfast, lunch, and dinner) and special meals (for patients, guests, very young children) during one week were weighted

Table ML. 1. Sources of data for poverty analysis in Mali, since 1985

| National Survey  |       | Year of survey                  | Income<br>and<br>expenditure | Non-<br>monetary<br>dimensions<br>of poverty | Subjective<br>evaluations<br>of poverty |
|--|-------|---------------------------------|------------------------------|--|---|
| Consumption and Budget Survey<br>(Enquête Budget-Consommation)   | EBC   | 1988/89                         | V                            |  |   |
| Malian Survey on the Economic and Social<br>Situation (Enquête Malienne de Conjoncture<br>Economique et Sociale) | EMCES | 1994                            | V                            | <b>√</b>                                     |   |
| Malian Poverty Assessment Survey<br>(Enquête Malienne d'Evaluation de la Pauvreté)                               | EMEP  | 2001/02                         | V                            | $\checkmark$                                 | V                                       |
| Light Household Integrated Survey<br>(Enquête Légère Intégrée auprès des Ménages)                                | ELIM  | 2003                            |                              | <b>√</b>                                     | <b>√</b>                                |
| Informal Sector Survey<br>(Enquête sur le secteur informel)  | ESI   | 1988/89                         |                              | $\checkmark$                                 | š                                       |
| Demographic and Health Survey<br>(Enquête Démographique et de Santé)   | DHS   | 1987,<br>1995/96,<br>2001, 2006 |                              | <b>√</b>                                     |   |
| Multiple Indicator Cluster Survey<br>(Enquête à indicateurs multiples)   | MICS  | 1996                            |                              | $\checkmark$                                 |   |
| Population Aspirations Survey<br>(Enquête sur les aspirations des populations<br>maliennes)                      |       | 1997                            |                              |  | <b>V</b>                                |

**Sources:** Mali National Directorate of Statistics and Data Processing (Direction Nationale de la Statistique et de l'Informatique); World Bank, Africa Poverty Monitoring. Survey Navigator, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, IHSN Central Survey Catalog, accessed on 25 April 2007 at <a href="https://www.internationalsurveynetwork.org">www.internationalsurveynetwork.org</a>.

and summed up. Also, estimates were made for food not consumed at the same time as the main meals, such as coffee, tea, fruits, or drinks. To determine individual consumption, the absence or presence of household members was noted daily for every meal. To estimate the value of the food consumed, the prices of food on the markets of the sample enumeration areas were used. The weekly household expenditure on food, obtained by multiplying the unit prices by the quantities consumed, was extrapolated over a year.

Data on non-food expenditure were collected through a budget questionnaire tracking non-food goods and services purchased by the household. Frequent non-food purchases were recorded for the previous month and extrapolated over a year. Other regular household expenses such as rent, electricity, payments to others, or recurrent monetary contributions, had a longer recall period. The non-regular categories that were included in the total expenditure covered purchases of school goods at the beginning of the school year, transfers, ceremonial expenditure (for family, community, or holiday events), as well as purchases of durable goods.

No equivalence scale was used to adjust for the differences in the age and sex composition of the households.

#### **Poverty lines**

The poverty lines used by DNSI and the World Bank in the 2004 study were derived from the food energy intake method. The minimum caloric intake was set at 2,450 calories per day per person. To obtain the daily caloric intake for a person, all the food estimated to be consumed by a household in a year was converted into calories by using composition tables for foods in Mali and then divided by number of days and by number of persons in the households. The level of expenditure below which a person could not satisfy the basic needs was set using a non-parametric distribution function of the per capita expenditure over per capita caloric intake. The food poverty line was thus estimated at 99,038 CFA francs per year per person and the overall poverty line at 144,022 CFA francs per year per person. An extreme poverty threshold, different from the food poverty line, was set at 108,017 CFA francs per year per person, computed as 75 per cent of the overall poverty line.

## **Poverty profile**

Between 1988/89 and 2001/02, the level of poverty remained high in Mali at 73 per cent and 68 per cent, respectively (table ML.2). The small decline in poverty recorded for the country as a whole was a result of significant poverty declines in Bamako, the capital of the country, and in other urban areas (table ML.2). The decline in Bamako was about 10 percentage points and the decline in other urban areas was considerably higher, at about 23 percentage points. The poverty rate in rural Mali, however, remained about the same. Thus, the difference between the urban areas and the rural areas was substantial in 2001/02; 81 per cent of the rural population was poor compared to 33 per cent of the urban population (table ML.3).

High differentials in poverty between urban and rural areas were also observed in the poverty depth and in the severity of poverty (table ML.3). The poverty depth in rural areas was about four times as high as in urban areas and the severity of poverty about five times as high.

The poor in Mali were located predominantly in rural areas. In 2001/02, 87 per cent of the poor of the country and 92 per cent of the extremely poor were rural residents (Observatoire du Développement Humain Durable, 2006).

Table ML. 2. Headcount index by type of locality, Mali, EBC 1988/89 and EMEP 2001/02

| ·                 | Headcount index (per cent) |         |  |  |
|-------------------|----------------------------|---------|--|--|
|                   | 1988/89                    | 2001/02 |  |  |
| Bamako            | 37                         | 28      |  |  |
| Other urban areas | 59                         | 37      |  |  |
| Rural areas       | 81 0-01 (100)              | 81      |  |  |
| All areas         | 73                         | 68      |  |  |

Source: Observatoire du Développement Humain Durable, 2006, Profil de Pauvreté du Mali 2001.

Note: Based on the overall poverty lines.

Table ML. 3. Headcount index, poverty depth, and severity of poverty, by type of locality, Mali, EMEP 2001/02

|             | Headcount index (per cent) | Poverty<br>depth | Severity of poverty |
|-------------|----------------------------|------------------|---------------------|
| Rural areas | 81                         | 0.392            | 0.226               |
| Urban areas | 33                         | 0.092            | 0.038               |
| All areas   | 68                         | 0.314            | 0.176               |

Source: Observatoire du Développement Humain Durable, 2006, Profil de Pauvreté du Mali 2001.

Note: Based on the overall poverty line.

#### Poverty by region

There were wide regional disparities in poverty in Mali in 2001/02. The headcount index was the highest in Koulikoro, Sikasso, and Mopti, where more than three quarters of the population was poor (table ML.4). Kayes and Ségou also had high levels of poverty, with about two thirds of the population living below the upper poverty line. By contrast, Kidal region had about one third of its population below the upper poverty line, a level of poverty relatively close to that of Bamako, the area with the lowest poverty rate.

Table ML. 4. Headcount index by administrative region, Mali, EMEP 2001/02

|             | Upper (ove                    | rall) poverty line                 | Lower (extre                  | me) poverty line                   |
|-------------|-------------------------------|------------------------------------|-------------------------------|------------------------------------|
|             | Headcount index<br>(per cent) | Distribution of poor<br>(per cent) | Headcount index<br>(per cent) | Distribution of poor<br>(per cent) |
| Koulikoro   | 84                            | 20                                 | 76                            | 22                                 |
| Sikasso     | 82                            | 22                                 | 72                            | 24                                 |
| Mopti       | 79                            | 17                                 | 65                            | 17                                 |
| Kayes       | 68                            | 14                                 | 52                            | 13                                 |
| Ségou       | 65                            | 16                                 | 48                            | 15                                 |
| Tombouctou  | 55                            | 4                                  | 37                            | 3                                  |
| Gao         | 48                            | 3                                  | 34                            | 2                                  |
| Kidal       | 34                            | < 1                                | 10                            | <1                                 |
| Bamako      | 28                            | 4                                  | 14                            | 3                                  |
| All regions | 68                            | 100                                | 55                            | 100                                |

Source: Observatoire du Développement Humain Durable, 2006, Profil de Pauvreté du Mali 2001.

Note: < 1 indicates magnitude nil or less than half of the unit employed.

The regional variations in poverty with respect to the lower poverty line were more pronounced but the ranking of regions was similar to the one derived from the upper poverty line (table ML.4). The headcount index was as low as 10 per cent in Kidal and as high as 76 per cent in Koulikoro for the lower poverty line.

The five regions with the highest headcount index (for both upper and lower poverty lines) — Koulikoro, Sikasso, Mopti, Kayes, and Ségou — had the great majority of the poor (89 per cent) and of the extremely poor (93 per cent) in the country (table ML.4).

#### Poverty by socio-professional category of the household head

People living in households headed by farmers, stockbreeders, or fishermen had the highest poverty rate (table ML.5); in 2001/02, 84 per cent of them were living below the upper poverty line, representing 79 per cent of the total poor in the country. The next two categories of households with high poverty rates were those headed by self-employed craftsmen (53 per cent poverty rate) and those headed by retirees and other non-working persons (52 per cent poverty rate). By contrast, people living in households headed by employees in the public sector had the lowest poverty rate. The poverty rate was also relatively low for persons in households whose heads were employees in the private sector or as traders (table ML.5).

Table ML. 5. Headcount index and distribution of poor by the socio-professional category of the household head, Mali, EMEP 2001/02

|  | Headcount index<br>(per cent) | Distribution of poor<br>(per cent) |
|--|-------------------------------|------------------------------------|
| Farmer/stockbreeder/fisherman          | 84                            | 79                                 |
| Craftsmen (self-employed)              | 53                            | 3                                  |
| Retirees and other non-working persons | 52                            | 11                                 |
| Traders                                | 33                            | 5                                  |
| Private-sector employee                | 29                            | 1                                  |
| Public-sector employee                 | 21                            | . 1                                |
| All socio-professional categories      | 68                            | 100                                |

Source: Observatoire du Développement Humain Durable, 2006, Profil de Pauvreté du Mali 2001.

Note: Based on the overall poverty line.

# Poverty by sex of the household head

Female-headed households were less likely than male-headed households to be poor in Mali in 2001/02. Among the female-headed households, 42 per cent were poor, compared to 59 per cent among the male-headed households (Observatoire du Développement Humain Durable, 2006).

# School attendance by poverty status

Attendance rates for primary school were much lower for the extremely poor and poor children, compared to the non-poor (table ML.6). For example, the net school attendance rate estimated for children from extremely poor households was 31 per cent, compared to 46 per cent for children from poor households and 58 per cent for children from non-poor households.

Table ML. 6. Primary school attendance rate by poverty status, Mali, EMEP 2001/02

|                        |          | School attendance rate (per cent) |                |       |  |  |
|------------------------|----------|-----------------------------------|----------------|-------|--|--|
|                        | Non-poor | Poor                              | Extremely poor | Total |  |  |
| Gross rate 1)          | 83       | 65                                | 44             | 58    |  |  |
| Net rate <sup>2)</sup> | 58       | 46                                | 31             | 41    |  |  |

Source: Observatoire du Développement Humain Durable, 2006, Profil de Pauvreté du Mali 2001.

#### Notes:

- 1) Gross school attendance rate was defined as the ratio of the number of children attending school at primary level, irrespective of age, to the number of children in the 7-12 year age group.
- 2) Net school attendance rate was defined as the ratio of the number of 7-12 year old children attending primary school to the number of children in the 7-12 year old age group.

# **Concluding remarks**

Poverty statistics in Mali have been provided in the last two decades based on three surveys conducted at six- and seven-year intervals. Poverty trends and comprehensive poverty profiles have been elaborated on a regular basis. Furthermore, the poverty monitoring system in Mali continues to emphasize data collection and dissemination on a regular basis, and provisions are made for implementation of the main surveys in the next years (Republic of Mali, 2000 and 2005).

The methods of data collection and poverty measurement in Mali have changed over time, and some of the estimates were generated based on indirect methods. Thus, most of the statistics made available in the last two decades have limited comparability. Nevertheless, based on a food energy intake method, DNSI and ODHD provided a satisfactory basis to assess changes in poverty at national level and by type of locality, between 1989/99 and 2001/02. It is important that future surveys take into account both the issue of comparability with previously generated poverty statistics and the new methods developed at the international level, such as the use of equivalence scales or the guidelines in constructing the consumption aggregate.

# Niger

Niger counted 11,060,291 inhabitants at the 2001 census of which more than three quarters were living in rural areas (Institut National de la Statistique du Niger, 2004). The country was ranked 177th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). The country has, since 1981, experienced successive years of poor crop harvests, declining revenues from uranium, the country's main export product, macroeconomic imbalances, and institutional instability (Republic of Niger, 2000 and 2002). The real GDP per capita (in 2000 US dollars) decreased from 246 in 1980 to 178 in 1990, and 153 in 2000; between 2000 and 2004, it oscillated around 155 (World Bank, 2006c). The average annual GDP growth between 1996 and 2005 was 3.5 per cent, placing Niger in the group of African countries with slow growth over the period (World Bank, 2006c).

In the early 1980s the Government of Niger undertook stabilization and structural adjustment reforms (World Bank, 1996). However, people's standard of living worsened and social protests prevented further implementation of such policies. An *Economic and Financial Recovery Plan* was prepared in 1991 but did not receive the support of development partners. In 1993, the *Stabilization and Economic and Social Reform Programme* (1994-1996) was unveiled. In the second half of the 1990s the strategy for sustainable human development and poverty reduction became central to the government's economic and social development policy (Republic of Niger, 2000). In 1997 the authorities drafted and implemented a large-scale *National Framework Programme to Reduce Poverty*. Niger completed an interim *Poverty Reduction Strategy Paper* (PRSP) in October 2000, and a full PRSP in January 2002.<sup>26</sup>

The 2000 interim PRSP and the 2002 full PRSP pointed out that poverty analysis in Niger, especially regarding changes in poverty over time, suffered from lack of data. At that time the only data available were those provided by a survey carried out in 1988/89 in urban areas and in 1992/93 in rural areas. It was recognised that new baseline data as well as regular updating of poverty profiles every three or four years, were needed in order to design effective policies and to reorient those policies (Republic of Niger, 2000 and 2002).

# National household surveys for poverty assessment

Only two surveys conducted in Niger in the last two decades collected data necessary for the measurement and analysis of monetary poverty (table NE.1). The Consumption Budget Survey (EBC) was carried out in 1988/89 in urban areas and in 1992/93 in rural areas. The Core Welfare Indicators Survey (QUIBB) was carried out in 2005,<sup>27</sup> more than 10 years after the EBC 1988-93.

Three Demographic and Health Surveys (DHS), two Multiple Indicator Cluster Surveys (MICS), and two rounds of the Permanent Survey on Economic and Social Conditions (EPCES) collected data relevant for assessing the non-monetary dimensions of poverty. In addition, the 2001/02 Qualitative Survey (QS) and the 2004/05 Basic Needs Satisfaction Survey (DSBE) collected data on subjective evaluations of poverty.

## **Poverty measurement**

In Niger, monetary poverty has been measured based on expenditure data collected in the 1988-93 EBC and the 2005 QUIBB surveys and absolute poverty lines. However, different methods of data collection and poverty measurement were applied for the two surveys, as described in the following paragraphs.

The country reached the completion point under the Enhanced HIPC Initiative in June 2004 and qualified for debt relief.
 A second household survey was planned for 2002/03 but implementation was delayed due to inadequate funds and technical expertise.

Table NE. 1. Sources of data for poverty analysis in Niger, since 1985

| National Survey  |       | Year<br>of<br>survey    | Income<br>and<br>expenditure | Non-<br>monetary<br>dimensions<br>of poverty | Subjective<br>evaluations<br>of poverty |
|--|-------|-------------------------|------------------------------|--|---|
| Consumption Budget Survey<br>(L'Enquête Budget Consommation)   | EBC   | 1988-1993 <sup>1)</sup> | <b>√</b>                     |  |   |
| <b>Core Welfare Indicators Survey</b><br>(Questionnaire Unifié pour les<br>Indicateurs de Base sur le Bien-être)   | QUIBB | 2005                    | <b>√</b>                     | √  |   |
| Demographic and Health Survey<br>(Enquête démographique et de Santé)   | DHS   | 1992, 1998,<br>2006     |                              | 1  |   |
| Multiple Indicator Cluster Survey<br>(Enquête à indicateurs multiples)   | MICS  | 1996, 2000              |                              | $\checkmark$                                 |   |
| Permanent Survey on Economic and<br>Social Conditions (Enquête permanente de<br>conjoncture économique et sociale) | EPCES | 1994, 1995              |                              | <b>√</b>                                     |   |
| Farming and Livestock Survey (Enquête<br>de conjoncture sur l'agriculture et l'élevage)                            | ECAE  | 1993                    |                              | ✓  |   |
| Qualitative survey on people's perceptions of poverty  | QS    | 2001/02                 |                              |  | 1                                       |
| Basic Needs Satisfaction Survey<br>(Degré de Satisfaction des Besoins Essentiels)                                  | DSBE  | 2004                    |                              |  | <b>√</b>                                |

**Sources:** Niger National Institute of Statistics (Institut National de la Statistique); World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, <a href="https://www.internationalsurvey.org">IHSN Central Survey Catalog</a>, accessed on 25 April 2007 at <a href="https://www.internationalsurvey.org">www.internationalsurvey.org</a>.

Note: 1) The survey was carried out in 1988/89 in urban areas and in 1992/93 in rural areas.

# **Consumption aggregate**

The EBC data were collected over a period of 12 months in urban areas (in 1988/89) as well as in rural areas (in 1992/93). The consumption aggregate included expenditures on purchases and acquisitions of goods and services, cash outlays such as taxes, reimbursements of loans, payments into saving deposits, actual or imputed rent, the value of home-produced food consumption, and the value of gifts received by the household. Because of the time lag between the urban phase and the rural phase of the survey, the results obtained for urban areas were adjusted for changes in prices over time, using Consumer Price Index (CPI) data.

The 2005 QUIBB data were collected over a period of three months, from 14 April to 11 July 2005. The consumption aggregate took into account purchased goods and services and consumption of home-produced or received goods. The consumption of home-produced or received goods was estimated by taking account of the frequency of consumption, the average number of units consumed, and the price per unit. These data were recorded during the survey for a recall period of one month and extrapolated over a year.

Expenditure for frequent purchases (food, especially) were recorded for a typical month and extrapolated over a year based on the frequency of purchases. For non-frequent expenditure, such as for education, health, clothing, housing, transportation, communication, leisure, and transfers, the recall period covered 12 months preceding the survey. However, only the total values of expenditures were recorded and not the quantities or the unit prices of the products.

Occasional expenditures on health (hospitalisation) and ceremonies (religious holidays, family, or social events) were not reflected in the total expenditure. Neither the acquisition of durable goods nor their user value, were included in the consumption aggregate. For owner-occupied dwellings, rent-equivalent expenditures were imputed, using estimates based on a log-linear regression taking into account dwelling characteristics.

The differences in cost of living from one type of locality to another were only partially accounted for. Prices from CPI data for Niamey, the capital of the country, were used in all urban areas. In rural areas, the

Table NE. 2. Items in the food basket, Niger, QUIBB 2005

| Items                                   | Share in consumption (per cent) |
|---|---------------------------------|
| Millet grains                           | 39.07                           |
| Sorghum grains                          | 8.75                            |
| Rice (paddy, whole) imported            | 7.69                            |
| Maize grain                             | 5.94                            |
| Milk, local                             | 4.27                            |
| Mutton/goat                             | 3.90                            |
| Rice (paddy, whole) local               | 2.74                            |
| Beans                                   | 2.73                            |
| Cola                                    | 2.23                            |
| Sugar (granulated, lumps, brown, white) | 2.07                            |
| Beef                                    | 2.01                            |
| Oil, vegetable local                    | 1.68                            |
| Oil, vegetable imported                 | 1.48                            |
| Chicken/guinea fowl                     | 1.39                            |
| Tomatoes                                | 1.17                            |
| Salt                                    | 1.15                            |
| Green tea/packaged tea                  | 1.12                            |
| Onions                                  | 1.09                            |

**Source:** Institut National de la Statistique and Banque Mondiale, 2006, *Profil de pauvreté. Rapport d'analyse.*  prices collected during the survey were used to value the consumption of home produced goods, while Niamey prices were assigned to the goods purchased on the market.

No equivalence scales were used either for the EBC 1988-93 or for the 2005 QUIBB surveys.

#### **Poverty lines**

Two different approaches were followed in setting the poverty line for the 1988-93 and 2005 surveys. For EBC 1988-93, the Statistics and National Accounts Directorate set the urban poverty line at 75,000 CFA francs, which was equivalent to the lowest poverty line used in the World Bank's World Development Report 1990, US\$275, based on an exchange rate of CFA francs 273 per US dollar (World Bank, 1996a). The rural poverty line was set at two thirds of the value for the urban areas — 50,000 CFA francs — assuming differences in standards of living between the two areas. According to these poverty lines, the headcount index was 63 per cent at national level, 52 per cent in urban areas, and 66 per cent in rural areas. The extreme poverty lines were set at two thirds of the value of the overall poverty line for each area. The headcount index for the extreme poverty lines was 34 per cent at national level, 26 per cent in urban areas, and 36 per cent in rural areas (Republic of Niger, 2000).

In 2005, the poverty line was set following the cost of basic needs approach. The food

poverty line was based on a minimum caloric requirement of 2,100 calories per person per day. The food basket contained the items most consumed by the households in the second to the ninth deciles of per capita expenditure. The eighteen selected items (table NE.2) represented 90 per cent of total food consumption.<sup>28</sup>

The food poverty line was estimated separately for urban areas and for rural areas to take into account differences in prices by type of locality. The non-food component of the overall poverty line (the non-food poverty line) was also calculated separately for urban and for rural areas, as the average non-food expenditure per capita for households where food expenditure was within 10 per cent above or below the respective food poverty line. The overall poverty lines were calculated as the sum of the food and the non-food poverty lines. The resulting overall poverty lines were 144,750 CFA francs per person per year for urban areas (including Niamey) and 105,827 CFA francs per person per year in rural areas.

The EBC 1989-93 and QUIBB 2005 used different methods for data collection and for setting the poverty lines. As a result the poverty statistics generated by the two surveys are not comparable. Thus, the poverty statistics presented in this country profile are based only on the latest survey available, QUIBB 2005, as presented in the report *Profil de pauvreté*. *Rapport d'analyse* (Institut National de la Statistique and Banque Mondiale, 2006).

## **Poverty profile**

In 2005, 62 per cent of Niger's population was poor. The headcount index was highest in rural areas, where about two thirds of the population was poor, and lowest in Niamey, where slightly more than a quarter of the population was poor (table NE.3). In other urban areas, the headcount index was more than twice the headcount index for Niamey.

Table NE. 3. Headcount index by type of locality, Niger, QUIBB 2005

|             | Headcount<br>index<br>(per cent) |
|-------------|----------------------------------|
| Niamey      | 27                               |
| Other towns | 56                               |
| Rural       | 66                               |
| All areas   | 62                               |

**Source:** Institut National de la Statistique and Banque Mondiale, 2006, *Profil de pauvreté. Rapport d'analyse.* 

Note: Based on the overall poverty lines.

#### Poverty by region

Out of the eight regions of the country (including the capital), four had populations in which more than two thirds was poor: Maradi, Zinder, Tillabéri, and Dosso (table NE.4). These regions, which had the highest headcount index, also had the highest poverty depth and severity of poverty. Two other regions, Agadez and Tahoua, had populations in which just under half was poor. By contrast, Diffa and Niamey had considerably lower values for all poverty measures (table NE.4).

#### Poverty by sex of the household head

In 2005 male-headed households had a higher poverty incidence than female-headed households, 54 per cent compared to 43 per cent, respectively. According to the National Institute of Statistics and the World Bank (2006) female-headed households appeared better off because they were more likely to be located in urban areas.

<sup>28</sup> FAO caloric tables were used to transform the quantities of goods in caloric values.

Table NE. 4. Headcount index, poverty depth, and severity of poverty by region, Niger, QUIBB 2005

|           | Headcount index<br>(per cent) | Poverty<br>depth | Severity of poverty |
|-----------|-------------------------------|------------------|---------------------|
| Maradi    | 80                            | 0.351            | 0.190               |
| Zinder    | 71                            | 0.262            | 0.129               |
| Tillabéri | 69                            | 0.268            | 0.139               |
| Dosso     | 67                            | 0.288            | 0.153               |
| Agadez    | 46                            | 0.161            | 0.081               |
| Tahoua    | 46                            | 0.145            | 0.062               |
| Niamey    | 27                            | 0.072            | 0.028               |
| Diffa     | 19                            | 0.053            | 0.022               |

Source: Institut National de la Statistique and Banque Mondiale, 2006, Profil de pauvreté. Rapport d'analyse.

Note: Based on the overall poverty lines.

However, in terms of population, the headcount index was about the same; 62 per cent for people living in male-headed households as well as for those living in female-headed households (table NE.5).

Table NE. 5. Headcount index by sex of the household head, Niger, QUIBB 2005

| P                        | Headcount index (per cent of households) | Headcount index<br>(per cent of population) |  |
|--------------------------|--|---|--|
| Female-headed households | 43                                       |   |  |
| Male-headed households   | 54                                       | 62  |  |

Source: Institut National de la Statistique and Banque Mondiale, 2006, Profil de pauvreté. Rapport d'analyse.

Note: Based on the overall poverty lines.

Figure NE. 1. Headcount index by household size, Niger, QUIBB 2005

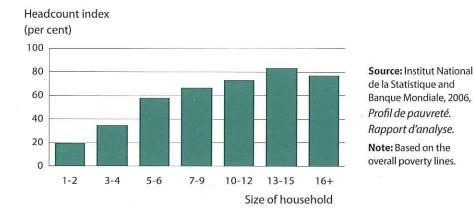


Table NE. 6. Headcount index by status in employment of the household head, Niger, QUIBB 2005

|                    | Headcount<br>index<br>(per cent) |
|--------------------|----------------------------------|
| Self-employed      | 65                               |
| Unpaid apprentice  | 61                               |
| Paid family worker | 54                               |
| Employer           | 46                               |
| Employee           | 23                               |
| Other              | 52                               |

**Source:** Institut National de la Statistique and Banque Mondiale, 2006, *Profil de pauvreté. Rapport d'analyse*.

Note: Based on the overall poverty lines.

Table NE. 7. Headcount index by economic sector of the household head, Niger, QUIBB 2005

|                           | Headcount index<br>(per cent) |
|---------------------------|-------------------------------|
| Agriculture               | 69                            |
| Construction              | 64                            |
| Mining and quarrying      | 56                            |
| Trade                     | 54                            |
| Production and processing | 51                            |
| Services                  | 50                            |
| Transportation            | 32                            |
| Education and health      | 23                            |
| Administration            | 23                            |
| Other                     | 60                            |

**Source:** Institut National de la Statistique and Banque Mondiale, 2006, *Profil de pauvreté*. *Rapport d'analyse*.

Note: Based on the overall poverty lines.

#### Poverty by household size

People living in large households had higher poverty rates than those living in small households. The headcount index varied from 19 per cent poor for people living in households with one or two persons to 83 per cent poor for those living in households with 13 to 15 persons.

# Poverty by economic activity of the household head

People living in households headed by an employee had the lowest poverty rates; less than a quarter of them were poor in 2005 (table NE.6). The highest poverty rates were observed for people living in households headed by the self-employed (mostly occupied in agriculture and the informal sector) and by unpaid apprentices. Nearly two thirds of those people were poor according to the 2005 QUIBB survey.

People living in households headed by a person working in agriculture or in construction had the highest poverty rates in 2005. About two thirds of people living in such households were poor (table NE.7). About half the people living in households headed by persons working in mining and quarrying, trade, production and processing, or services, were poor. By contrast, less than a quarter of people living in households headed by persons working in administration, education, and health was poor.

## **Concluding remarks**

Monetary poverty statistics have been produced only twice in Niger in the last two decades, based on surveys conducted at an interval of more than 10 years. No comparable estimates to assess poverty changes over time are yet available as different methods of data collection and poverty measurement were used for the 1988-93 EBC and the 2005 QUIBB.

Nevertheless, the latest available survey, the 2005 QUIBB, formed the basis for a sound new poverty line. Although no equivalence scale has yet been used, the construction of the consumption aggregate and the use of the cost of basic needs approach show that Niger aims to follow the latest international standards in poverty measurement. The new poverty line and the new comprehensive poverty profile are valuable benchmarks for the next rounds of surveys, which are planned for every three or four years, according to the Niger poverty monitoring system (Republic of Niger, 2000 and 2002).

# **Nigeria**

Nigeria, the most populous country in Africa, counted 140,003,542 people at the 2006 census (provisional results) (United Nations, 2007), and was ranked 159th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). The country spent more than 29 years under military rule, returning to democratic rule in 1999. Agriculture is the dominant activity in terms of employment, while the energy (oil and gas) sector contributes most of the export and government revenues and about half of the GDP (Federal Republic of Nigeria, 2004). Although Nigeria has potential for agricultural production and is rich in mineral resources, there has been a sharp contrast between economic potential and achievements (Federal Republic of Nigeria, 2004). The Nigerian economy has declined, especially since the mid-1980s. The real GDP per capita (in 2000 US dollars) decreased from 425 in 1980 to 358 in 1990, remained slightly over 350 up to 2002, then increased to 387 in 2003 and 402 in 2004 (World Bank, 2006c). The average annual GDP growth between 1996 and 2005 was four per cent (World Bank, 2006c).

In the second part of the 1980s, structural adjustment programmes were implemented in Nigeria. The programmes resulted in an increase of inequality in income as well as in access to food, shelter, education, and health (National Bureau of Statistics, 2005). The Federal Government has introduced a number of anti-poverty measures and programmes since 1999. The first one was the *Poverty Alleviation Programme*, which recently evolved into the *Poverty Eradication Programme* with four core components: (a) Youth Empowerment Scheme; (b) Rural Infrastructure Development Scheme; (c) Welfare Services Scheme; and, (d) Natural Resource Development and Conservation Scheme (National Bureau of Statistics, 2005). In 2004 the *National Economic Empowerment and Development Strategy* (NEEDS) was created in response to the growing concerns about poverty. The 36 states of Nigeria have developed state-specific poverty reduction strategies—*State Economic Empowerment and Development Strategies* (SEEDS).

The Nigerian NEEDS proposes a system of monitoring poverty with income and expenditure surveys every five years and annual Core Welfare Indicators Questionnaire (CWIQ) surveys, to be conducted by the National Bureau of Statistics. These will generate the necessary data to assess the impact of poverty eradication policies and to facilitate the formulation of new improved policies. It is considered that, over the years, the capability of the National Bureau of Statistics in survey management and analysis was enhanced by the technical assistance received from various development partners. However, the country feels that further capacity building and technical assistance is needed (National Bureau of Statistics, 2005).

# National household surveys for poverty assessment

Since 1985, four surveys on income or expenditure have been conducted in Nigeria; three National Consumer Surveys (NCS) and one Nigeria Living Standard Survey (NLSS), at four- to seven-year intervals (table NG.1). Poverty measurement in Nigeria has traditionally been based on Consumer Expenditure Surveys, which were designed to provide weights for updating the Consumer Price Index (CPI). The 2003/04 NLSS was a multi-purpose survey, designed to collect not only income and consumption data, but also data on a wide range of issues, such as education, social capital, time use, housing, employment, agriculture, and non-farm enterprise.

Other surveys collected socio-economic data relevant for studying the non-monetary dimensions of poverty. Since 1990, four General Household Surveys (GHS), three Demographic and Health Surveys (DHS), and two Multiple Indicator Cluster Surveys (MICS) were carried out. In 1998 the Core Welfare Indicators Questionnaire (CWIQ) was implemented for the first time, in Lagos, one of the Nigerian states. This has been extended to 10 other states since 2001, and in 2006 the survey was conducted nationwide. The CWIQ collected data on asset ownership facilities, education, health, employment, gender, and subjective evaluations of poverty.

Table NG. 1. Sources of data for poverty analysis in Nigeria, since 1985

| National Survey                       |        | Year<br>of survey               | Income<br>and<br>expenditure | Non-monetary<br>dimensions of<br>poverty             | Subjective<br>evaluations<br>of poverty |
|---------------------------------------|--------|---------------------------------|------------------------------|--|---|
| National Consumer Service             | NCS    | 1985/86,<br>1992/93,<br>1996/97 |                              | initian alderso<br>marall blader<br>partitions in th |   |
| Nigeria Living Standards Survey       | NI, SS | 2003/04                         | V                            | V  | ✓                                       |
| Core Welfare Indicators Questionnaire | CWIQ   | 2006                            |                              |  | <b>V</b>                                |
| General Household Survey              | GHS    | 1990, 1992,<br>1993, 1996       | e e                          | √  |   |
| Demographic and Health Survey         | DHS    | 1990, 1999,<br>2003             |                              | <b>V</b>   |   |
| Multiple Indicator Cluster Survey     | MICS   | 1998, 2000                      |                              | V  |   |
| Food Consumption and Nutrition Survey | FCNS   | 2001                            | ter for lawn                 | 1  |   |

**Sources:** Nigeria National Bureau of Statistics; World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, *IHSN Central Survey Catalog*, accessed on 25 April 2007 at <a href="https://www.internationalsurveynetwork.org">www.internationalsurveynetwork.org</a>.

## **Poverty measurement**

In Nigeria monetary poverty has been measured based on expenditure data and relative poverty lines. Up to 1996 the thresholds for core poverty and overall poverty were set at one third and two thirds, respectively, of the national average expenditure. Data from the latest available survey, the NLSS 2003/04, was the basis for poverty estimates following three approaches: relative poverty line, food energy intake method, and one dollar a day poverty line. The NLSS 2003/04 was also different from the previous surveys in terms of data collection. Compared to the NCS, the NLSS 2003/04 was more comprehensive in its coverage of household expenditure and included a market survey component to collect prices for selected items not usually considered in the CPI. The methodology presented in the following paragraphs refers only to the NLSS 2003/04 and is based on the report *Poverty Profile for Nigeria* (National Bureau of Statistics, 2005).

## Construction of consumption aggregate

The composition of the consumption aggregate used for the 2003/04 poverty estimates is presented in detail in table NG.2. It should be first noted that the total expenditure included consumption from home-produced goods. This consumption was valued based on CPI data and data collected in the markets from each enumeration area. Second, all types of health expenditure were taken into account. Next, expenditure on small appliances was included in the total expenditure, while user values for assets were imputed. Also, rental equivalent expenditures were imputed for owner-occupied dwellings. Finally, several types of expenditure were excluded: ceremonial expenditure, taxes, and transfers.

## Equivalence scale

The consumption aggregate was adjusted for differences in age and sex composition of the households, based on the FAO adult equivalence scale (table NG.3). The equivalence scale was only used with the

Table NG. 2. Composition of the consumption aggregate, Nigeria, NLSS 2003/04

| Category of<br>consumption           | Description  |  |  |  |
|--------------------------------------|--|--|--|--|
| Food                                 | Food purchases<br>Imputed value for consumption from home-<br>produced food  |  |  |  |
| Education                            | School fees School books Uniforms Extra-curricular activities Room and board Transportation Other school related expenditure   |  |  |  |
| Health                               | Consultations Medication Hospitalisation Transportation Other health-care expenditure  |  |  |  |
| Frequent<br>non-food<br>expenditures | Tobacco and alcohol Utilities such as water, electricity Clothing Household maintenance Transportation Communication Recreation Imputed value for self-produced non-food items Insurance Rent (actual or imputed) Others |  |  |  |

**Source:** National Bureau of Statistics, 2005, *Poverty Profile for Nigeria*, page 62, table 7.2.

Expenditure on small appliances

Other infrequent non-food expenditure

Use value on assets

Taxes

Transfers

Ceremonial expenditure

Table NG. 3. Equivalence scale, Nigeria, NLSS 2003/04

|                  | Adult equivalent for |        |  |
|------------------|----------------------|--------|--|
| Age group (year) | Male                 | Female |  |
| 0 – 0.9          | 0.27                 | 0.27   |  |
| 1 – 3            | 0.45                 | 0.45   |  |
| 4-6              | 0.61                 | 0.61   |  |
| 7-9              | 0.73                 | 0.73   |  |
| 10 – 12          | 0.86                 | 0.78   |  |
| 13 – 15          | 0.96                 | 0.83   |  |
| 16 – 19          | 1.02                 | 0.77   |  |
| Over 20          | 1.00                 | 0.73   |  |

**Source:** National Bureau of Statistics, 2005, *Poverty Profile for Nigeria*, page 15, table 3.1.

absolute poverty line derived from the energy intake method.

# Adjustments for differences in cost of living

The consumption aggregate was adjusted for regional and seasonal differences in the cost of living using CPI data. When not available or inconsistent, adjustment was based on price data collected through a market survey conducted at the same time as the household survey.

January 2004 was chosen as a

reference month and a deflator was computed for each state by urban and rural area, by month, and for both food and non-food items. A total of 128 price indices was computed using a Laspeyres index.

#### **Poverty lines**

Infrequent

non-food

expenditures

**Excluded items** 

Three types of poverty lines were used to estimate poverty for 2003/04 (table NG.4): (a) poverty lines derived from the food energy intake method; (b) relative poverty lines; and, (c) one dollar a day poverty line.

|                       |                      | Lower poverty line              |                                  | Upper poverty line              |                                  |
|-----------------------|----------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| Type of approach      | Consumption unit     | Poverty<br>threshold<br>(Naira) | Headcount<br>index<br>(per cent) | Poverty<br>threshold<br>(Naira) | Headcount<br>index<br>(per cent) |
| Food energy intake    | per adult equivalent | 16,922                          | 32                               | 30,128                          | 55                               |
| Relative poverty line | per capita           | 11,867                          | 22                               | 23,733                          | 54                               |
| One dollar a day      | per capita           |                                 |                                  | 21,608                          | 52                               |

Source: National Bureau of Statistics, 2005, Poverty Profile for Nigeria.

(a) For the food energy intake (FEI) method, a food basket was derived from the consumption patterns of the poorest two quintiles (40 per cent persons with the lowest expenditure per adult equivalent). Based on this basket, the expenditure required to obtain the minimum energy requirement set at 2,900 calories per day per adult equivalent, was computed. The resulting food poverty line was 21,743 Naira per year per adult equivalent. The headcount index for this food poverty line was estimated at 37 per cent.

A non-food component was calculated as the average non-food expenditure per adult equivalent of the households where food expenditure was around the food poverty line (taking into account 100 households above and 100 households below the food poverty line). This non-food component was estimated at 8,385 Naira per year per adult equivalent. A total poverty line summing up the food poverty line and the non-food component was estimated as 30,128 Naira per year per adult equivalent. The overall headcount index was 55 per cent.

A second poverty line was set using the food energy intake approach, based on a lower minimum caloric intake of 2,100 calories per adult equivalent per day. The annual expenditure for food necessary to fulfil this minimum requirement was estimated to be 12,103 Naira per adult equivalent. A non–food component was estimated using the Mckay short cut method: the food poverty line was inflated by a factor (1/(1-x)), where x is the proportion of expenditure dedicated to non-food by households in which food expenditure per adult equivalent corresponds to the food poverty line. This amounts to 4,819 Naira, giving an overall poverty line of 16,922 Naira per adult equivalent per year. Based on this lower poverty line, the headcount index was 32 per cent.

- (b) Following a relative poverty threshold approach, a core (lower) poverty line and an overall (upper) poverty line were calculated as one third and two thirds of the average per capita expenditure, respectively. For the upper poverty line, estimated at 23,733 Naira per year per capita, the overall headcount index was 54 per cent. For the lower poverty line, estimated at 11,867 Naira per year per capita, the headcount index was 22 per cent.
- (c) The one dollar a day poverty line was also used in Nigeria in 2003/04. The poverty line was derived based on the 2002 World Bank purchasing power parity for Nigeria of 46.2 Nigerian Naira to one dollar. This value was adjusted for 2003 prices using the inflation rate, yielding 59.2 Naira to one dollar per day per capita and 21,608 Naira per year per capita. Based on this threshold, the headcount index was estimated at 52 per cent.

## Poverty profile

#### Alternative poverty estimates for 2003/04

All three sets of monetary poverty estimates — based on the food energy intake (FEI) approach, relative poverty line, and one dollar a day poverty line — showed that more than half of the population of Nigeria was poor in 2003/04. Also, all three approaches showed the disadvantage of the rural areas and of the northern regions of the country (table NG.5).

Table NG. 5. Headcount index by type of locality and by zone, by type of poverty line, Nigeria, NLSS 2003/04

|                  |       | Headcount index (per cent)            |   |                                  |  |
|------------------|-------|---------------------------------------|---|----------------------------------|--|
|                  |       | FEI poverty line<br>(upper threshold) | Relative poverty line (upper threshold) | One dollar per day per<br>capita |  |
| Type of locality | 1     | · part drauf                          |   | 五日 新 神田生命                        |  |
| Urban            |       | 43                                    | 43                                      | 40                               |  |
| Rural            |       | 64                                    | 63                                      | 61                               |  |
| Zone             | Tu Tu | no labora                             |   |                                  |  |
| North East       |       | 67                                    | 72                                      | 65                               |  |
| North West       |       | 64                                    | 71                                      | 61                               |  |
| North Central    | *     | 63                                    | 67                                      | 59                               |  |
| South South      |       | 51                                    | 35                                      | 48                               |  |
| South West       |       | 43                                    | 43                                      | 40                               |  |
| South East       |       | 34                                    | 27                                      | 31                               |  |
| All areas        |       | 55                                    | 54                                      | 52                               |  |

Source: National Bureau of Statistics, 2005, Poverty Profile for Nigeria.

The 2003/04 poverty estimates are part of a transition from relative poverty lines used for previous surveys in Nigeria towards absolute poverty lines based on the cost of basic needs approach. The 2003/04 NLSS provides a good baseline for future poverty estimates, enhanced by the construction of the consumption aggregate and by the use of an absolute poverty line based on minimum energy requirement.

Based on this FEI method, 55 per cent of the population in Nigeria was estimated to be poor in 2003/04 (table NG.5). Rural areas were disadvantaged, with a poverty rate of 64 percent compared to 43 per cent in urban areas. Around two thirds of the poor (65 per cent) were rural residents. The northern part of the country was considerably poorer than the southern part. The three northern regions had the highest rates of poverty (at least 63 per cent) and together they contained nearly two thirds of Nigeria's poor (table NG.5 and table NG.6).

Based on the same FEI poverty line, in three out of the 36 states of Nigeria (Jigawa, Kogi, and Kebbi) about 90 per cent of the population was poor and in another four states (Kwara, Yobe, Bauchi, and Zamfara)

over three quarters of the population was poor. By contrast, two states (Osun and Oyo) had less than one quarter of the population poor, and another five states (Bayelsa, Abia, Anambra, Ogun, and Imo) had less than one third of the state population poor (National Bureau of Statistics, 2005).

The poverty profile provided for the FEI poverty line is limited to the headcount index and distribution of the poor, disaggregated by type of locality, by zone, and by state. Other measures of poverty, such as poverty depth and severity of poverty, have been estimated based only on the upper relative poverty line (table NG.7). According to these estimates, poverty depth and severity of poverty were 1.5 times as high in rural areas as in urban areas. Also, the values recorded for the two measures of poverty were much higher in the northern zones than in the southern zones of the country.

Table NG. 6. Distribution of the poor by type of locality and by zone, by type of poverty line, Nigeria, NLSS 2003/04

|                  | Distribution o                        | f poor (per cent)                          |
|------------------|---------------------------------------|--|
|                  | FEI poverty line<br>(upper threshold) | Relative poverty line<br>(upper threshold) |
| Type of locality |                                       | i in Similar                               |
| Urban            | 35                                    | 35   |
| Rural            | 65                                    | 65   |
| Zone             |                                       |  |
| North West       | 31                                    | 33   |
| North Central    | 16                                    | 18   |
| North East       | 16                                    | 18   |
| South West       | 15                                    | 15   |
| South South      | 14                                    | 10   |
| South East       | 8                                     | 6  |
| All zones        | 100                                   | 100  |

Source: National Bureau of Statistics, 2005, Poverty Profile for Nigeria.

Table NG. 7. Poverty measures by type of locality and by zone, Nigeria, NLSS 2003/04

| 5                | Poverty depth | Severity of poverty |
|------------------|---------------|---------------------|
| Type of locality |               | marking.            |
| Urban            | 0.167         | 0.092               |
| Rural            | 0.258         | 0.141               |
| Zone             |               |                     |
| South South      | 0.170         | 0.090               |
| South East       | 0.099         | 0.046               |
| South West       | 0.182         | 0.102               |
| North Central    | 0.283         | 0.169               |
| North East       | 0.274         | 0.143               |
| North West       | 0.257         | 0.137               |
| All areas        | 0.218         | 0.119               |

Source: National Bureau of Statistics, 2005, Poverty Profile for Nigeria.

Note: Based on the upper relative poverty line.

#### Changes in poverty since 1985

The Nigerian National Bureau of Statistics analysed trends in poverty statistics estimated on the basis of relative poverty lines (National Bureau of Statistics, 2005). It was shown, for example, that the headcount index for the upper relative poverty line decreased from 46 per cent in 1985 to 43 per cent in 1992, increased to 66 per cent in 1996, and declined to 54 per cent in 2004 (table NG.8). Similar trends were constructed for the headcount index at more disaggregated levels—type of locality, zone, level of education, occupation, and sex of the household head—as shown in the next part of the country profile. However, these trends should be interpreted with caution because the comparability of poverty estimates over time is limited by two facts. First, the methods of data collection and the construction of the consumption aggregate varied from one survey to another. Second, the poverty lines used are relative, based on the average consumption in society at a certain point in time. Even if the same methodological principles were followed in determining these poverty lines, the value of the threshold in real prices may vary from one year to another.

#### Poverty by type of locality

Poverty rates have been higher in rural areas than in urban areas in Nigeria (table NG.8). For example, in 2003/04 63 per cent of rural residents were living below the upper relative poverty line, compared to 43 per cent of urban residents. The ratio of the rural headcount index to the urban headcount index decreased from 1.36 in 1985/86 to 1.20 in 1996/97, and increased to 1.47 in 2003/04 (table NG.8).

Table NG. 8. Headcount index by type of locality, Nigeria, 1985 to 2004

| 9 g 9                                  | NCS 1985/86 | NCS 1992/93  | NCS 1996/97 | NLSS 2003/04 |
|--|-------------|--------------|-------------|--------------|
| Upper relative poverty line            |             |              |             | •            |
| Headcount index (per cent)             |             |              |             |              |
| Urban areas                            | 38          | 38           | 58          | 43           |
| Rural areas                            | 51          | 46           | 70          | 63           |
| All areas                              | 46          | 43           | 66          | 54           |
| Ratio of headcount indexes rural/urban | 1.36        | 1.23         | 1.20        | 1.47         |
| Lower relative poverty line            |             | Constitution |             |              |
| Headcount index (per cent)             |             |              |             |              |
| Urban areas                            | 8           | . 11         | 25          | 16           |
| Rural areas                            | 15          | 16           | 32          | 27           |
| All areas                              | - 12        | 14           | 29          | 22           |
| Ratio of headcount indexes rural/urban | 1.97        | 1.48         | 1.25        | 1.73         |

Source: National Bureau of Statistics, 2005, Poverty Profile for Nigeria.we

#### Poverty by zone

Since 1985 the northern zones have registered higher headcount indices than the southern zones of the country (table NG.9). In 2003/04, over two thirds of the population in all northern zones was poor, compared to 43 per cent in South West and 27 per cent in South East. Moreover, in 2003/04, the variation between the zones was larger than in previous years. For example, in 1985/86, the headcount index varied from 30 per cent in the South East to 55 per cent in the North East. In 2003/04, the headcount index ranged from 27 per cent in South East to 72 per cent in North East.

Table NG. 9. Headcount index by zone, Nigeria, 1985 to 2004

| r .           | NCS 1985/86 | NCS 1992/93 | NCS 1996/97 | NLSS 2003/04 |
|---------------|-------------|-------------|-------------|--------------|
| South South   | 46          | 41          | 58          | 35           |
| South East    | 30          | 41          | 54          | 27           |
| South West    | 39          | 43          | 61          | 43           |
| North Central | 51          | 46          | 65          | 67           |
| North East    | 55          | 54          | 70          | , 72         |
| North West    | 52          | 37          | 77          | 71           |
| All zones     | 46          | 43          | 66          | 54           |

Source: National Bureau of Statistics, 2005, Poverty Profile for Nigeria.

Note: Based on the upper relative poverty lines.

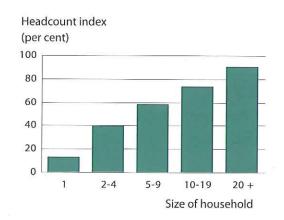
## Poverty by household size

People living in large households had higher poverty rates than those living in smaller households (figure NG.1). In 2003/04, more than half of the population living in households with five to nine members was poor. Nearly three quarters of people living in 10 to 19 member households and about 90 per cent of those living in households with over 20 members, were poor.

# Poverty by level of education of the household head

People living in households headed by less educated persons have had higher poverty rates in Nigeria (table NG.10). In 1985/86 the headcount index ranged between 24 per cent for people living in households headed by a person with post-secondary education to 51 per cent for those living

Figure NG. 1. Poverty headcount index by household size, Nigeria, NLSS 2003/04



**Source:** National Bureau of Statistics, 2005, *Poverty Profile for Nigeria*.

Note: Based on the upper relative poverty line.

in a household headed by a person with no formal education. In 2003/04 the corresponding values of the headcount index were 26 per cent and 69 per cent, respectively, reflecting a larger gap in poverty among categories defined by level of education of the household head. In 2003/04 almost half of the poor (48 per cent) were living in households headed by a person with no formal education (National Bureau of Statistics, 2005).

Table NG. 10. Headcount index by level of education of household head, Nigeria, 1985 to 2004

|                          |             | Headcount in | dex (per cent) |              |
|--------------------------|-------------|--------------|----------------|--------------|
|                          | NCS 1985/86 | NCS 1992/93  | NCS 1996/97    | NLSS 2003/04 |
| No education             | 51          | 46           | 73             | 69           |
| Primary education        | 41          | 43           | 55             | 49           |
| Secondary education      | 27          | 30           | 52             | 44           |
| Post-secondary education | 24          | 26           | 49             | 26           |
| All education categories | 46          | 43           | 66             | 54           |

Source: National Bureau of Statistics, 2005, Poverty Profile for Nigeria.

Note: Based on the upper relative poverty lines.

Table NG. 11. Headcount index by occupational group of the household head, Nigeria, 1985 to 2004

|                              |             | Headcount in | dex (per cent) |              |
|------------------------------|-------------|--------------|----------------|--------------|
|                              | NCS 1985/86 | NCS 1992/93  | NCS 1996/97    | NLSS 2003/04 |
| Professional and technical   | 36          | 36           | 52             | 34           |
| Administration               | 25          | 22           | 34             | 45           |
| Clerical and related         | 29          | 34           | 60             | 39           |
| Sales workers                | 37          | 34           | 57             | 44           |
| Service industry             | 38          | 38           | 71             | 43           |
| Agricultural and forestry    | 54          | 48           | 71             | 67           |
| Production and transport     | 47          | 41           | 66             | 43           |
| Manufacturing and processing | 32          | 33           | 49             | 44           |
| Others                       | 37          | 43           | 61             | 49           |
| Students and apprentices     | 41          | 42           | 52             | 42           |
| All categories               | 46          | 43           | 66             | 54           |

Source: National Bureau of Statistics, 2005, Poverty Profile for Nigeria.

Note: Based on the upper relative poverty lines.

Literacy rates were lower for people living in poorer households. In 2003/04, 66 per cent of the respondents from households in the wealthiest quintile had the ability to read and write in English compared to only 40 per cent in the poorest quintile (National Bureau of Statistics, 2005).

#### Poverty by occupational group of the household head

Since 1985, households headed by persons working in agriculture have had the highest poverty rates. In 2003/04 two thirds of people living in this type of household was poor. Other groups of households with a high poverty rate in earlier surveys were those headed by production and transport workers and by service industry workers, although in 2003/04 the disparities were less evident (table NG.11).

#### Poverty by sex of the household head

People living in female-headed households were less likely to be poor than those living in male-headed households (table NG.12). In 2003/04 the headcount index was 44 per cent in female-headed households compared to 58 per cent in male-headed households. Previous analysis showed that female-headed households in Nigeria were smaller in size and, generally, the woman head had a higher level of educational attainment (Aigbokhan, 2000a), two of the factors associated with lower levels of poverty.

Table NG. 12. Headcount index by sex of the household head, Nigeria, NLSS 2003/04

|                          | Headcount index (per cent) |             |             |              |
|--------------------------|----------------------------|-------------|-------------|--------------|
|                          | NCS 1985/86                | NCS 1992/93 | NCS 1996/97 | NLSS 2003/04 |
| Female-headed households | 39                         | 40          | 59          | 44           |
| Male-headed households   | 47                         | 43          | 66          | 58           |

Source: National Bureau of Statistics, 2005, Poverty Profile for Nigeria.

Notes: Based on the upper relative poverty lines.

## **Concluding remarks**

Poverty statistics have been produced on a regular basis in Nigeria. Since 1985, four household surveys on expenditure were conducted at four- to seven-year intervals. The country recognizes the importance of regular updates of poverty estimates for the assessment of current programmes for poverty reduction and the formulation of new policies. Income and expenditure surveys are planned for every five years, complemented each year by CWIQ surveys.

The comparability of poverty statistics over time has, however, been limited in Nigeria. The methods of data collection and the construction of the consumption aggregate varied from one survey to another. In addition, until recently, Nigeria had not used absolute poverty lines. The food energy intake approach followed to set the absolute poverty line for 2003/04, complemented with the use of equivalence scale, provided a more solid benchmark for future estimates of poverty. Nevertheless, the poverty profile on the basis of the food energy intake approach was limited to the national level, urban/rural areas, and zones.

This baseline would be further enhanced by a more comprehensive profile taking into account other household characteristics for which poverty estimates were provided so far based on relative poverty lines only.

# Senegal

Senegal counted 9,956,202 people at the 2002 census (preliminary results, Direction de la Prévision et de la Statistique, 2004). The country was ranked 156th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). Its economy has been dominated by the primary sector — agricultural production of peanuts, cereals, cotton, and niébé, and fishing — which provides a livelihood for about 60 per cent of the economically active population (Republic of Senegal, 2002). The average annual GDP growth between 1996 and 2005 was 4.6 per cent, placing Senegal in the group of African countries with sustained growth over the period (World Bank, 2006c). The real GDP per capita (in 2000 US dollars), slightly over 400 in the 1980s and 1990s, increased from 407 in 1998 to 433 in 2001 and 461 in 2004 (World Bank, 2006c).

Stabilization policies have been implemented since the end of the 1970s and were followed by structural adjustment programmes in the 1980s (Republic of Senegal, 2000 and 2002). To ensure that economic growth is accompanied by social development, Senegal implemented various programmes in the social sectors, particularly in education and health. Since 1997, a specific poverty reduction programme was adopted. The *Poverty Reduction Strategy Paper* (PRSP) is the current framework for formulating economic policies for growth and strategies against poverty. Senegal completed an interim PRSP in 2000, and two full PRSP followed in 2002 and 2005.<sup>29</sup>

The 2000 interim PRSP stressed the importance of a poverty monitoring and evaluation system. Within this system, a number of surveys were conducted at the beginning of the 2000s to collect data necessary for the preparation of the full PRSPs, including the 2001/02 Senegalese Household Survey on income and expenditure, the Survey on Development Indicators, and the Survey of Perceptions of Poverty.

## National household surveys for poverty assessment

Statistics on monetary poverty have been produced in Senegal based on three surveys: the 1992 Priority Survey (ESP) and the two Senegalese Household Surveys conducted in 1994/95 (ESAM-I) and 2001/02 (ESAM-II). The experience of Senegal in collecting data on non-monetary dimensions of poverty, such as education and health, is more substantial. Since 1985, five Demographic and Health Surveys (DHS) and two Multiple Indicator Cluster Surveys (MICS) have been conducted. More recently, the first stage of the 2001/02 ESAM-II served as a framework for implementing the Unified Questionnaire on Development Indicators (QUID 2001). QUID 2001 collected comprehensive data on education, health, access to social services, nutrition, economic activity, expenditure, and migration, which were used by the country to estimate non-monetary measures of poverty. In addition, the sample of ESAM-II was used to implement the Survey of Perceptions of Poverty in Senegal (EPPS).

## **Poverty measurement**

In Senegal, monetary poverty has been measured based on expenditure data collected in the 1992 ESP, the 1994/95 ESAM-I, and the 2001/02 ESAM-II, and absolute poverty lines derived from the cost of basic needs approach. However, there were some variations across surveys in the methods of data collection and poverty measurement.

The 1992 ESP collected data on household expenditures, but not on quantities purchased or consumption from home-produced goods. Seasonal variations in consumption were not taken into

<sup>&</sup>lt;sup>29</sup> Under the Enhanced HIPC Initiative, Senegal reached the decision point in 2000 and benefited from debt relief after the completion point in 2004.

Table SN. 1. Sources of data for poverty analysis in Senegal, since 1985

| National Survey  |      | Year<br>of survey                     | Income<br>and<br>expenditure | Non-monetary<br>dimensions<br>of poverty | Subjective<br>evaluations<br>of poverty |
|--|------|---------------------------------------|------------------------------|--|---|
| Priority Survey<br>(Enquête sur les Priorités)   | ESP  | 1992                                  | <b>V</b>                     | <b>√</b>                                 |   |
| Senegalese Household Survey<br>(Enquête Sénégalaise Auprès des Ménages)  | ESAM | 1994/95,<br>2001/02                   | $\checkmark$                 | <b>√</b>                                 |   |
| Unified Questionnaire on Development<br>Indicators Survey (Questionnaire unifié des<br>indicateurs de développement) | QUID | 2001 <sup>1)</sup>                    |                              | <b>√</b>                                 |   |
| Demographic and Health Survey<br>(Enquête démographique et de santé)   | DHS  | 1986, 1992/93,<br>1997, 1999,<br>2005 |                              | V  |   |
| Multiple Indicator Cluster Survey  | MICS | 1996, 2000                            |                              | 1  |   |
| Survey of Perceptions of Poverty in Senegal  | EPPS | 2001                                  |                              |  | √                                       |

**Sources:** Senegal Directorate of Forecasting and Statistics (Direction de la Prévision et de la Statistique); World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, *IHSN Central Survey Catalog*, accessed on 25 April 2007 at <a href="https://www.internationalsurveynetwork.org">www.internationalsurveynetwork.org</a>.

Note: 1) The 2001 QUID was implemented in the first stage of the 2001/02 ESAM.

account and prices of food and non-food items were not collected during the survey. Poverty was estimated by a World Bank team based on a minimum caloric intake of 2,400 calories per day per adult equivalent and a six-item food basket representing 85 per cent of the total calories consumed in Senegal (World Bank, 1995b). The food expenditure data collected during the household survey was translated into quantities of food data by using regional and urban/rural market prices from three other sources. The caloric equivalent of the quantity of food was calculated using ORANA coefficients, and afterwards it was adjusted with coefficients of consumption from home-produced goods made available by the 1988/90 ISRA/IFPRI survey<sup>32</sup> in Senegal. The non-food component of the poverty line was calculated as the average non-food expenditure for households where total expenditure was at the level of the food poverty line.

The 1994/95 ESAM-I survey collected data on expenditures as well as consumption from home produced goods and services over a period of one year, between March 1994 and March 1995. The urban households were visited once a year and the rural households twice over a period of six months in

Three sources of price data were used: (a) the Commissariat à la Sécurité Alimentaire market price information system; (b) the GOS Direction de Commerce; and, (c) the 1988-90 ISRA/IFPRI survey (World Bank, 1995b).

<sup>&</sup>lt;sup>31</sup> ORANA stands for Office de Récherches Sur l'Alimentation et la Nutrition Africaine. These coefficients generally reflect the caloric equivalent of 100 grams of African foods classified in the following groups: cereals, roots and tubers, leguminous plants and miscellaneous items, nuts and grains, vegetables and fruits, sugar and syrup, meat and poultry, fish, milk, dairy products and eggs, and drinks and miscellaneous items (Amadou Makhtar NDIAYE, 1993, *Aliments africains, Table de composition*, Organisme de Recherches sur L'Alimentation et la Nutrition Africaines).

This survey, supported by the Senegalese Institute for Agricultural Research and International Food Research Policy Institute, was conducted in the Goundnut Basin, Senegal Oriental (Tamabacounda) and Kolda (World Bank, 1995b).

order to better account for seasonal fluctuations in consumption. The prices of goods and the quantities purchased were not collected during the survey. The Directorate of Forecasting and Statistics (DPS) in Senegal estimated poverty based on a 25-item food basket, each item representing at least one per cent of the food consumption, accounting in total for about 81 per cent of the caloric value of food. The minimum caloric requirement was set at 2,400 calories per day per adult equivalent. The food expenditures were transformed into quantities by using average prices for each region provided by the Consumer Price Index (CPI) data. As in the 1992 ESP, these quantities were converted into caloric equivalents by using the ORANA coefficients. The non-food component of the overall poverty line was calculated as the percentage of non-food expenditures in the total expenditure for the households with an intake of between 2,280 and 2,520 calories.

Finally, a third methodology of poverty measurement, also based on the cost of basic needs approach, was applied to the 2001/02 ESAM-II data and retrospectively to the 1994/95 ESAM in order to generate comparable poverty statistics over time. The consumption aggregate and the setting of the poverty line are described in the following paragraphs.<sup>33</sup>

#### Consumption aggregate

The ESAM-II data were collected over a year, initially divided into three four-month stages. However, breaks in financing of the survey prevented the collection of data during the second stage. Thus, during the survey, each household was visited in two stages: in the first stage expenditure data over the last four months were collected; in the second stage, expenditure data for the last eight months were collected. Therefore, the aggregate of total annual expenditure was constructed by giving a weight of one third to the expenditure estimated from the first round data and two thirds to the expenditure obtained from the second round. The recall period for food or other frequent purchases was three days, repeated for 10 visits in urban areas and five visits in rural areas. The non-frequent purchases had a longer recall period, three to 12 months, depending on the goods purchased.

The consumption aggregate included expenditure on purchased food and non-food goods and services, and the consumption from home-produced items. The consumption of home-produced goods was measured based on the quantity of goods set aside for household consumption and their daily use. These goods were valued during the survey. Actual or imputed rents for owner-occupied dwellings were also included in the consumption aggregate. Rental equivalent expenditure was calculated based on the average rent paid in the enumeration area, according to the number of rooms and the type of housing unit.

#### **Poverty lines**

The poverty lines for 2001/02 were calculated based on the cost of basic needs approach. The food poverty line was estimated as the cost of purchase of a 26-item food basket (table SN.2). The items included in the food basket were the most consumed food items of the households in the second to sixth deciles of per adult equivalent expenditure in 2001/02. For those households, the food basket represented about 80 per cent of total expenditures.

Each item was represented in the basket in the proportion of its share in the total food consumption, in

<sup>&</sup>lt;sup>33</sup> The presentation of poverty measurement is based on the 2004 report *La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002* (Direction de la Prévision et de la Statistique and Banque Mondiale, 2004) and the presentation "Mesure de la Pauvre: un de tentative d'intégration des approaches objective et subjective pour une connaissance approfondie", by Mamadou Matar Gueye, DPS, within the *Regional Workshop on Poverty Statistics in the Economic Community of West African Region* (26-30 July 2004, Abuja)

Table SN. 2. Composition of the food basket, Senegal, ESAM2 2001/02

| Food item             | Quantity<br>(100 grams) | Share in the basket (calories) | ORANA<br>Coefficient |
|-----------------------|-------------------------|--------------------------------|----------------------|
| Whole rice            | 0.2320                  | 85.83                          | 370                  |
| Broken rice           | 2.2879                  | 846.51                         | 370                  |
| Millet                | 0.7045                  | 247.29                         | 351                  |
| Wheat bread           | 0.6283                  | 163.99                         | 261                  |
| Sheep on the hoof     | 0.1216                  | 13.70                          | 114                  |
| Beef                  | 0.1511                  | 35.82                          | 237                  |
| Fresh fish            | 0.8840                  | 104.31                         | 118                  |
| Smoked fish           | 0.1005                  | 37.59                          | 374                  |
| Dried fish            | 0.0528                  | 14.09                          | 267                  |
| Curdled milk in bulk  | 0.0660                  | 4.56                           | 69                   |
| Powdered milk in bulk | 0.0384                  | 19.30                          | 502                  |
| Palm oil              | 0.3739                  | 336.14                         | 899                  |
| Other vegetable oils  | 0.1640                  | 147.47                         | 899                  |
| Peanut butter         | 0.0524                  | 31.04                          | 592                  |
| Shelled peanuts       | 0.1040                  | 60.83                          | 585                  |
| Cabbage               | 0.0933                  | 2.98                           | 32                   |
| Small tomatoes        | 0.0767                  | 1.76                           | 23                   |
| Tomato paste          | 0.0722                  | 1.59                           | 22                   |
| Onion                 | 0.3435                  | 10.65                          | 31                   |
| Dried niébé           | 0.0457                  | 15.64                          | 342                  |
| Fresh cassava         | 0.1248                  | 18.60                          | 149                  |
| Bouillon              | 0.0295                  | 7.45                           | 252                  |
| Sugar, lumps          | 0.0930                  | 35.82                          | 385                  |
| Sugar, granulated     | 0.4025                  | 54.95                          | 385                  |
| Coffee, beans         | 0.0216                  | 0.09                           | 4                    |
| Green tea             | 0.0240                  | 1.85                           | 77                   |

**Source:** Direction de la Prévision et de la Statistique and Banque Mondiale, 2004, *La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002*, page 9, table 1.

such quantities that the food basket provided a total of 2,400 calories a day per adult equivalent. The caloric equivalents of the quantities of food consumed were obtained using the ORANA coefficients.

The prices used to evaluate the cost of the basket were collected during the household survey. They were aggregated into median prices for each item and each type of locality (Dakar urban area, other towns, and rural areas). Therefore, although the same basket was used in all localities, the value in prices reflected the differences in cost of living from one type of locality to another. In order to adjust for these price differences, separate food thresholds were estimated for each type of locality for ESAM-I and for each stage and each type of locality for ESAM-II (table SN.3).

The non-food component of the poverty line was calculated as the average non-food expenditure per adult equivalent for households in which food expenditures were within five per cent above and below the respective food threshold obtained. The estimation was done separately for each type of locality for ESAM-I and for each stage and each type of locality for ESAM-II.

The overall poverty lines were calculated as the sum of the food poverty line and the non-food component (table SN.3).

Table SN. 3. Poverty lines, Senegal, 1994/95 ESAM-I and 2001/02 ESAM-II

|                   |       | Overall poverty lin<br><sup>1)</sup> per year per adul |             | (CFA francs | Food poverty line<br>per year per adul |             |
|-------------------|-------|--|-------------|-------------|--|-------------|
|                   | Dakar | Other<br>urban areas                                   | Rural areas | Dakar       | Other<br>urban areas                   | Rural areas |
| ESAM-I            | 743.2 | 662.5  | 384.7       | 251.5       | 238.2                                  | 236.7       |
| 1st stage ESAM-II | 950.1 | 799.5  | 514.3       | 333.3       | 312.7                                  | 276.5       |
| 2nd stage ESAM-II | 843.5 | 669.5  | 489.7       | 347.0       | 320.3                                  | 298.2       |
| ESAM-I            | 879.0 | 712.8  | 497.9       | 342.4       | 317.8                                  | 290.9       |

Source: Direction de la Prévision et de la Statistique et Banque Mondiale, 2004, La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002, page 10, table 2.

Note: 1 US\$1 = 498 CFA francs in 1993, US\$1 = 555 in 1994, US\$1 = 733.6 in 2001, US\$1 = 693.3 in 2002.

## **Poverty profile**

Between 1994/95 and 2001/02, in Senegal, the poverty rate declined from 68 per cent to 57 per cent of the population. For households the decrease was from 61 per cent to 49 per cent. The reduction in poverty levels was more substantial in urban areas than in rural areas, for both households and persons (table SN.4). Thus, the gap between urban and rural areas widened over the period. For example, in 1994/95, the headcount index was about 71 per cent in rural areas as well as in urban areas (excluding Dakar). In 2001/02, the headcount index decreased to 50 per cent in other urban areas (excluding Dakar), but only to 65 per cent in rural areas. A similar pattern of change was observed for other measures of poverty. Poverty depth and severity of poverty declined more in urban areas than in rural areas, leading to an increased poverty disparity between towns and villages (table SN.4).

Table SN. 4. Headcount index, poverty depth, and severity of poverty, by type of locality, Senegal, ESAM 1994/95 and ESAM 2001/02

|                           |                 | int index<br>cent) |                 | erty<br>pth     |                 | erity<br>verty  |
|---------------------------|-----------------|--------------------|-----------------|-----------------|-----------------|-----------------|
|                           | ESAM<br>1994/95 | ESAM<br>2001/02    | ESAM<br>1994/95 | ESAM<br>2001/02 | ESAM<br>1994/95 | ESAM<br>2001/02 |
| Estimations for persons   |                 |                    |                 |                 |                 | et).            |
| Dakar                     | 56              | 42                 | 0.177           | 0.120           | 0.074           | 0.047           |
| Other urban               | 71              | 50                 | 0.244           | 0.161           | 0.108           | 0.069           |
| Rural areas               | 71              | 65                 | 0.253           | 0.214           | 0.117           | 0.094           |
| All areas                 | 68              | 57                 | 0.236           | 0.183           | 0.106           | 0.079           |
| Estimations for household | ds              |                    |                 |                 |                 |                 |
| Dakar                     | 50              | 33                 | 0.154           | 0.095           | 0.064           | 0.037           |
| Other urban               | 63              | 43                 | 0.214           | 0.134           | 0.095           | 0.057           |
| Rural areas               | 66              | 58                 | 0.223           | 0.178           | 0.100           | 0.075           |
| All areas                 | 61              | 49                 | 0.205           | 0.148           | 0.091           | 0.062           |

**Source:** Direction de la Prévision et de la Statistique and Banque Mondiale, 2004, *La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002*, page 12, table 3.

Note: Based on the overall poverty lines.

Table SN. 5. Distribution of poor households by type of locality, Senegal, ESAM 1994/95 and ESAM 2001/02

|             | Distribution of<br>poor household<br>(per cent) |                 |  |
|-------------|---|-----------------|--|
|             | ESAM<br>1994/95                                 | ESAM<br>2001/02 |  |
| Dakar       | 19  | · 18            |  |
| Other urban | 19  | 17              |  |
| Rural areas | 62  | 65              |  |
| All areas   | 100   | 100             |  |

**Source:** Direction de la Prévision et de la Statistique and Banque Mondiale, 2004, *La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002.* 

Note: Based on the overall poverty lines.

The distribution of poor households by type of locality changed slightly between 1994/95 and 2001/02 (table SN.5). In 1994/95, 62 per cent of Senegal's poor households were located in rural areas, while in 2001/02, the share increased to 65 per cent.

## Poverty by administrative region

Poverty levels varied considerably across administrative regions. In 2001/02, the lowest poverty incidence was noted in the Dakar region and Louga, where about one third of the households was poor (table SN.6). At the other extreme were the regions of Ziguinchor, Kolda, and Kaolack, with two thirds of the households being poor. With respect to the distribution of poor households across the regions, Dakar region contributed the most to the total number of poor households, with 18 per cent. Kaolack, Thiès, Diourbel, and Kolda also contributed large shares of poor households (table SN.6).

Table SN. 6. Headcount index and distribution of poor households by administrative region, Senegal, ESAM 2001/02

|             |             |        | Headcount index<br>(per cent<br>of households) | Distribution of<br>poor households<br>(per cent) |
|-------------|-------------|--------|--|--|
| Ziguinchor  | - L. J. n-" | SWELLS | 67   | 6  |
| Kolda       |             |        | 67   | 10   |
| Kaolack     |             |        | 65   | 13   |
| Diourbel    |             |        | 62   | 13   |
| Tambacounda |             |        | 56   | 7  |
| Thiès       |             |        | 49   | 13   |
| Fatick      |             |        | 46   | 6  |
| Saint Louis |             |        | 41   | 9  |
| Louga       |             |        | 36   | 5  |
| Dakar       |             |        | 34   | 18   |
| All regions |             |        | 49   | 100  |

**Source:** Direction de la Prévision et de la Statistique and Banque Mondiale, 2004, *La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002*, page 16, table 5.

Note: Based on the overall poverty lines.

## Poverty by sex of the household head

Female-headed households were less likely to be poor than male-headed households. In 2001/02, 37 per cent of female-headed households was poor compared to 51 per cent of male-headed households. Differences in poverty levels between male- and female-headed households varied from one type of locality to another, although the poverty level was in all cases lower for female-headed households. Such differences were negligible in Dakar, relatively small in other urban areas, and large in rural areas (table SN.7).

# Poverty by level of education of the household head

Households headed by people with lower education were more likely to be poor. In 2001/02, the headcount index for the households headed by persons with no formal education or with primary education was 54 per cent and 46 per cent, respectively (table SN.8).

Table SN. 7. Headcount index by sex of the household head, Senegal, ESAM 2001/02

|                   | Headcount index (per cent of households) |                           |  |  |
|-------------------|--|---------------------------|--|--|
|                   | Female-<br>headed<br>households          | Male-headed<br>households |  |  |
| Dakar             | 32                                       | 34                        |  |  |
| Other urban areas | 38                                       | 46                        |  |  |
| Rural areas       | 41                                       | 60                        |  |  |
| All areas         | 37                                       | 51                        |  |  |

**Source:** Direction de la Prévision et de la Statistique and Banque Mondiale, 2004, *La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002*, page 17, table 6.

Note: Based on the overall poverty lines.

The headcount index for households whose heads had no formal education was about twice as high as for households headed by persons with secondary education, and about three times as high for those headed by persons who had completed technical or vocational school.

The overwhelming majority of poor households (81 per cent) were headed by people with no formal education (table SN.8), while another 12 per cent of poor households was headed by people with primary education.

Table SN. 8. Headcount index and distribution of poor households, by level of education of the household head, Senegal, ESAM 2001/02

|                          | Headcount index (per cent of households) | Distribution of poor households (per cent) |  |
|--------------------------|--|--|--|
| No education             | 54                                       | 81   |  |
| Primary                  | 46                                       | 12   |  |
| Secondary                | 26                                       | 5  |  |
| Technical and vocational | 17                                       | Ĭ ·  |  |
| Higher education         | 13                                       | 1  |  |
| Other                    | 31                                       | <1   |  |
| All education categories | 49                                       | 100  |  |

**Source:** Direction de la Prévision et de la Statistique and Banque Mondiale, 2004, *La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002*, page 20, table 9.

Notes: Based on the overall poverty lines.

< 1 indicates magnitude nil or less than half of the unit employed.

## Poverty by economic activity status of the household head

The headcount index was higher for households headed by unemployed people or by persons who were not economically active, other than the retired — 60 per cent and 63 per cent, respectively (table SN.9). A lower headcount index was noted for households where heads worked (45 per cent) or were retired (48 per cent), but also for households headed by "homemakers" (41 per cent). In the Senegalese context, the category "homemaker" overlapped with "housewife" and "female as head of household" thus indicating lower poverty levels for female-headed households compared to male-headed households (Direction de la Prévision et de la Statistique and Banque Mondiale, 2004).

## Poverty by sector of activity of the household head

Households headed by a person working for individuals or households (most likely in agriculture or the informal economy) had higher poverty rates (table SN.10). In 2001/02, 49 per cent of such households were poor, representing the great majority (85 per cent) of the total number of poor households in Senegal. By contrast, only 19 per cent of households headed by people working in administration were poor, representing only three per cent of the total number of poor households in the country.

Table SN. 9. Headcount index and distribution of poor households by economic activity status of the household head, Senegal, ESAM 2001/02

|                         | Headcount index (per cent of households) | Distribution of poor households<br>(per cent) |
|-------------------------|--|---|
| Not economically active | 63                                       | 28  |
| Unemployed              | 60                                       | 4   |
| Studies/training        | 53                                       | 1   |
| Retired                 | 48                                       | 6   |
| Employed                | 45                                       | 53  |
| Homemaker               | 41                                       | 8   |
| All categories          | 49                                       | 100   |

Source: Direction de la Prévision et de la Statistique and Banque Mondiale, 2004, La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002, page 20, table 10.

Notes: Based on the overall poverty lines.

Table SN. 10. Headcount index and distribution of poor households by sector of activity of the household head, Senegal, ESAM 2001/02

| ω                       | Headcount index (per cent of households) | Distribution of poor households (per cent) |
|-------------------------|--|--|
| Individual or household | 49                                       | 85   |
| Parastatal company      | 32                                       | 1  |
| Private company         | 32                                       | 7  |
| Administration          | 19                                       | . 3  |
| Other                   | 41                                       | 4  |
| All categories          | 49                                       | 100  |

**Source:** Direction de la Prévision et de la Statistique and Banque Mondiale, 2004, La Pauvreté au Senegal: de la Dévaluation de 1994 à 2001-2002, page 21, table 11.

Note: Based on the overall poverty lines.

## **Concluding remarks**

Monetary poverty statistics have been generated on a regular basis in Senegal since 1992. For all three surveys that collected data on expenditure, the cost of basic needs approach and the same minimum caloric requirements were used. Still, the comparability of poverty estimates produced for each survey has been affected by slight changes in the methods of data collection and poverty measurement. To address the issue the methods applied for 2001/02 were used to re-estimate poverty statistics for 1994/95 at national level and by type of locality. A more comprehensive poverty profile was elaborated for 2001/02, taking into account other characteristics of the households, although such statistics were not presented on a per

capita basis but were household based only. Furthermore, the same statistics were not re-estimated for the previous survey so as to provide a basis for understanding the effect of policies on different groups of households and population.

## Sierra Leone

Sierra Leone, a country with a population of 4,963,298 at the 2004 census (Statistics Sierra Leone and United Nations Population Fund, 2006), was ranked 176th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). Since the mid-1980s the country has suffered dramatic economic decline, prolonged by the disruptive effects of a civil war during the 1990s. The real GDP per capita (in 2000 US dollars) decreased from 233 in 1980 to 202 in 1990, and further declined to 126 in 2001. The negative trend was reversed after 2001 and the real GDP per capita increased to 170 in 2004 (World Bank, 2006c).

At the beginning of the 2000s, the Government of Sierra Leone developed a two-phased approach in implementing poverty reduction strategies that would address the challenges of the transition from war to peace (Republic of Sierra Leone, 2001). In the first years of the transition the focus was on internally displaced persons, returnees, and war victims, as well as on the rehabilitation of basic economic and social infrastructure (Republic of Sierra Leone, 2001). The Government of Sierra Leone completed an interim *Poverty Reduction Strategy Paper* (PRSP) in 2001 and a *National Recovery Strategy* in 2002. A more comprehensive strategy of poverty reduction, developed in the context of the full PRSP, was completed in March 2005.<sup>34</sup>

At the time of the preparation of the 2001 interim PRSP it was recognised that the paucity of up-to-date socio-economic information was a major constraint for poverty analysis and policy formulation and evaluation in Sierra Leone (Republic of Sierra Leone, 2001); the only source of data available for monetary poverty was a household expenditure survey conducted in 1989/90. According to the 2001 interim PRSP, a priority for the government was to ensure access to reliable and timely socio-economic information on poverty. Ad-hoc surveys were necessary to diagnose the current situation and establish benchmarks for future trends (Republic of Sierra Leone, 2004). A series of surveys was, therefore, implemented after 2000 and the monitoring systems re-instated after the war provided for future implementation of such surveys on a regular basis.

## National household surveys for poverty assessment

In the last two decades, Sierra Leone collected data on income and expenditure at national level through two household surveys conducted at a 14-year interval (table SL.1), the 1989/90 Household Expenditure and Economic Activities Survey (SHEHEA) and the 2003/04 Sierra Leone Integrated Household Survey (SLIHS). The 2003/04 Integrated Household Survey, a multi-purpose survey, was commissioned by the Government of Sierra Leone in order to obtain information for the preparation of the full PRSP (completed in 2005).

The 2003/04 SLIHS was part of a recent and extensive effort by the country to gain insight into various facets of poverty in Sierra Leone. Thus, several surveys have been conducted since 2000 producing data on non-monetary dimensions of poverty, such as education, health, nutrition, and access to basic social services. Two Multiple Indicator Cluster Surveys (MICS) were conducted, in 2000 and 2005. A Baseline Services Delivery Survey (BSDS) was conducted in 2000 and a Service Delivery Perceptions Survey in 2006. Under the World Food Programme, Vulnerability Surveys were conducted in 2003 and 2004.

In addition, data on subjective evaluations of poverty were collected through two Participatory Poverty Assessments, conducted in 2003 and 2004. The information gathered referred to the perceptions

<sup>&</sup>lt;sup>34</sup> Following this step, Sierra Leone reached the completion point under the Enhanced HIPC Initiative in January 2007, qualifying for full debt relief.

Table SL. 1. Sources of data for poverty analysis in Sierra Leone, since 1985

| National Survey  |        | Year<br>of survey | Income<br>and<br>expenditure | Non-monetary<br>dimensions<br>of poverty | Subjective<br>evaluations of<br>poverty |
|--|--------|-------------------|------------------------------|--|---|
| Household Expenditure and Economic<br>Activities Survey                  | SHEHEA | 1989/90           | <b>√</b>                     |  |   |
| Sierra Leone Integrated Household Survey                                 | SLIHS  | 2003/04           | √                            | √  |   |
| Multiple Indicator Cluster Survey  | MICS   | 2000, 2005        |                              | $\checkmark$                             |   |
| Baseline Services Delivery Survey<br>Service Delivery Perceptions Survey | BSDS   | 2000,<br>2006     |                              | <b>√</b>                                 | <b>V</b>                                |
| Vulnerability Survey   |        | 2003, 2004        |                              | $\checkmark$                             |   |
| Participatory Poverty Assessment   | PPA    | 2003, 2004        |                              |  | √.                                      |

**Sources:** Statistics Sierra Leone; Republic of Sierra Leone (2001); Sierra Leone PRSP (2005); World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at <a href="https://www.worldbank.org">www.worldbank.org</a>; International Household Survey Network, *IHSN Central Survey Catalog*, accessed on 25 April 2007 at <a href="https://www.internationalsurveynetwork.org">www.internationalsurveynetwork.org</a>.

and attitudes of poor people regarding the causes, consequences, and characteristics of poverty, coping strategies, and priority public interventions to reduce poverty (Government of Sierra Leone, 2005).

## **Poverty measurement**

In Sierra Leone, monetary poverty has been measured based on expenditure data collected in the SHEHEA 1989/90 and the SLIHS 2003/04, and absolute poverty lines. However, neither the methods of data collection nor the types of poverty lines used to estimate poverty were the same. For example, the survey conducted in 1989/90 was less extensive in coverage and the poverty line used was the international norm of one dollar per day per person (Republic of Sierra Leone, 2001), while in 2003/04 the poverty line was derived from the cost of basic needs approach. The poverty measurement and the poverty profile presented in this report<sup>35</sup> refer to 2003/04 only.

## Consumption aggregate

The SLIHS 2003/04 was conducted between 24 April 2003 and 26 April 2004. The consumption aggregate included expenditures on purchased food and non-food items and consumption of home-produced food (table SL.2). The consumption of home-produced food was valued using price data collected in market outlets within each enumeration area of the survey. Non-food expenditures included in the consumption aggregate were related to education, health care (including expenditures for hospitalisation and medical procedures), and other frequent and infrequent non-food expenditure (table SL.2). It has to be noted that for owner-occupied dwellings a rent equivalent cost was imputed and, for durable goods less than five years old, user values were included in the total expenditure. On the other hand, ceremonial expenses

<sup>&</sup>lt;sup>35</sup> The description of poverty measurement and the poverty profile presented in this country report are based on information provided in the *Poverty Reduction Strategy Paper* (Government of Sierra Leone, 2005) and in the paper "Poverty Measurement in a Post-Conflict Scenario: Evidence from The Sierra Leone Integrated Household Survey 2003/2004" (S.A.T. Rogers, 2004), presented at the *Regional Workshop on Poverty Statistics in the Economic Community of West African Region* (26-30 July 2004, Abuja).

Table SL. 2. Consumption aggregate, Sierra Leone, SLIHS 2003/04

| Categories                           | Description  |
|--------------------------------------|--|
| Purchased food expenditures          | The state of the s |
| Self-produced food consumption       |  |
| Education expenditures               | Tuition, books, uniforms, extra curricular activities, room and board, transport, informal fees, other education expenses;   |
| Health care expenditures             | Consultation fees, medical expenditure, medical procedures, hospitalisation, transportation, insurance, and other health related expenditure;  |
| Other frequent non-food expenditures | Tobacco, utilities, clothing, household maintenance, transportation, communication, actual or imputed rent, and other non-food expenditure;  |
| Infrequent non-food expenditures     | Cost of appliances and imputed user values for large items less than five years old.   |

**Source:** Rogers, S.A.T., 2004, "Poverty Measurement in a Post-Conflict Scenario: Evidence from The Sierra Leone Integrated Household Survey 2003/2004", presented at the *Regional Workshop on Poverty Statistics in the Economic Community of West African Region*, 26-30 July, Abuja.

Table SL. 3. Equivalence scale, Sierra Leone, SLIHS 2003/04

|          | Age group (year) | Adult equivalent |
|----------|------------------|------------------|
| Infants  | 0 - 0.4          | 0.22             |
|          | 0.5 – 0.9        | 0.29             |
| Children | 1-3              | 0.45             |
|          | 4-6              | 0.62             |
|          | 7 - 10           | 0.69             |
| Females  | 11 – 14          | 0.76             |
|          | 15 – 18          | 0.76             |
|          | 19 – 25          | 0.76             |
|          | 26 – 50          | 0.76             |
|          | 51+              | 0.66             |
| Males    | 11 – 14          | 0.86             |
|          | 15 – 18          | 1.03             |
|          | 19 – 25          | 1.00             |
|          | 26 – 50          | 1.00             |
|          | 51+              | 0.79             |

**Source:** Rogers, S.A.T., 2004, "Poverty Measurement in a Post-Conflict Scenario: Evidence from The Sierra Leone Integrated Household Survey 2003/2004", presented at the *Regional Workshop on Poverty Statistics in the Economic Community of West African Region*, 26-30 July, Abuja.

(for family, community, or holiday events) as well as cash or in-kind transfers to other households, were excluded.

#### Equivalence scale

Differences in consumption produced by specific age and sex compositions of the households were adjusted for by using an equivalence scale. The scale was chosen based on a sensitivity analysis taking into account, on one hand, the SLIHS food consumption aggregate and, on the other hand, two alternative equivalence scales used in Ghana and Rwanda. The scale from the Ghana GLSS 4 (1998), which correlated better with the Sierra Leone consumption aggregate, was adopted (table SL.3).

# Adjustments for differences in cost of living

Regional and monthly variations in cost of living were adjusted for using the Consumer Price Index (CPI) data collected for four regional towns (Freetown in the West, Bo in the South, Kenema in the East, and Makeni in the North). All expenditures were expressed

in the national average prices (regionally weighted) of May 2003 (the beginning of the survey).

#### **Poverty lines**

The 2003/04 poverty estimates were based on the cost of basic needs approach. To calculate the food poverty line, a 20-item food basket was selected, reflecting the consumption pattern of the 20 per cent population with the lowest expenditure per adult equivalent (table SL.4). The minimum caloric requirement was set at 2,700 calories per day per adult equivalent. The food poverty line was estimated at 1,033 leones per day per adult equivalent and at 377,045 leones per year per adult equivalent, in May 2003 prices.

Table SL. 4. Composition of food basket and non-food basket, Sierra Leone, SLIHS 2003/04

| Food basket              |                                      | Non-food basket  |                                      |  |
|--------------------------|--------------------------------------|--|--------------------------------------|--|
| ltem                     | Share in<br>the basket<br>(per cent) | ltem   | Share in<br>the basket<br>(per cent) |  |
| Rice (Paddy Grain) local | 30.45                                | Rent or shelter (imputed)                              | 14.56                                |  |
| Palm oil                 | 12.32                                | Health   | 13.68                                |  |
| Dried fish               | 8.31                                 | Education  | 12.78                                |  |
| Fresh fish               | 4.24                                 | Kerosene and other liquid fuel                         | 6.58                                 |  |
| Ground nuts              | 3.40                                 | Goods for personal care (e.g. razor blades, cosmetics) | 5.75                                 |  |
| Salt                     | 3.35                                 | Tobacco  | 3.85                                 |  |
| Pepper (dried)           | 3.24                                 | Soap and washing powder                                | 3.85                                 |  |
| Other vegetables         | 3.11                                 | Road transportation                                    | 2.95                                 |  |
| Cassava roots            | 2.89                                 | Cotton cloth   | 2.53                                 |  |
| Smoked fish              | 2.58                                 | Clothes: trousers, shirts, and blouses                 | 2.08                                 |  |
| Chicken                  | 2.24                                 | Firewood and other solid fuel                          | 1.89                                 |  |
| Cookery                  | 1.36                                 | Transistor batteries, non-durable photo items          | 1.43                                 |  |
| Sugar                    | 1.32                                 | Bed sheets, bed cover, blanket curtains                | 1.43                                 |  |
| Bread and buns           | 1.29                                 | Tailoring charges                                      | 1.38                                 |  |
| Fresh pepper             | 1.18                                 | Men's shoes  | 1.28                                 |  |
| Kola nut                 | 1.07                                 | Ladies slippers  | 1.10                                 |  |
| Broad beans              | 1.04                                 | Suit/safari suit                                       | 1.08                                 |  |
| Cassava (other forms)    | 0.98                                 | Underwear (including vests and underpants)             | 0.99                                 |  |
| Palm wine                | 0.97                                 | Dress (for ladies/girls)                               | 0.97                                 |  |
| Cowpeas (small)          | 0.69                                 |  |                                      |  |

**Source:** Rogers, S.A.T., 2004, "Poverty Measurement in a Post-Conflict Scenario: Evidence from The Sierra Leone Integrated Household Survey 2003/2004", presented at the *Regional Workshop on Poverty Statistics in the Economic Community of West African Region*, 26-30 July, Abuja.

The non-food component of the overall poverty line was calculated as the average expenditure on basic needs, defined by a 19-item non-food basket (table SL.4), for households where expenditure was within 10 per cent above or below the level of the food poverty line. The overall poverty line obtained was 2,111 leones per day per adult equivalent, corresponding to 770,678 leones per year per adult equivalent.

## **Poverty profile**

In Sierra Leone, in 2003/04, 70 per cent of the population was living below the overall poverty line and 26 per cent below the food poverty line (table SL.5). The poverty depth was 0.29 and the severity of poverty was 0.16 for the overall poverty line.

#### Poverty by type of locality

Rural areas as well as urban areas excluding Freetown, the capital of the country, were to a large degree affected by poverty. The headcount index for the overall poverty line was 79 per cent in rural areas and 70 per cent in urban areas excluding Freetown, compared to only 15 per cent in Freetown. The discrepancy between the capital and the rest of the country was observed also for the food poverty line and for other measures of poverty — poverty depth and severity of poverty (table SL.5). In terms of distribution of poor people across different types of locality, in 2003/04 73 per cent were rural residents and 25 per cent were living in towns other than Freetown (Government of Sierra Leone, 2005).

Table SL. 5. Headcount index, poverty depth, and severity of poverty, by type of locality, Sierra Leone, SLIHS 2003/04

|                         |                               | Food poverty line |                        |                               |
|-------------------------|-------------------------------|-------------------|------------------------|-------------------------------|
|                         | Headcount index<br>(per cent) | Poverty<br>depth  | Severity<br>of poverty | Headcount index<br>(per cent) |
| Freetown                | 15                            | 0.04              | 0.04                   | 2                             |
| Other urban             | 70                            | 0.26              | 0.14                   | 20                            |
| Rural                   | 79                            | 0.34              | 0.19                   | 33                            |
| All types of localities | 70                            | 0.29              | 0.16                   | 26                            |

Source: Sierra Leone, 2005, Poverty Reduction Strategy Paper.

## Poverty by district

All Sierra Leone districts, except Western, had rates of poverty exceeding 50 per cent in 2003/04 (table SL.6). The headcount index was particularly high in the districts of Kailahun (92 per cent), Bombali (89 per cent), and Kenema (88 per cent). These were also the regions with the highest poverty depth and severity of poverty (table SL.6). Among them Bombali stood out as the district with an extremely high poverty depth and severity of poverty (0.50 and 0.32, respectively, more than one and a half times the national figures), and extremely high food poverty (63 per cent, compared to the national average of 26 per cent) (table SL.6).

Table SL. 6. Headcount index, poverty depth, and severity of poverty, by district, Sierra Leone, SLIHS 2003/04

|               |                               | Overall poverty line |                        | Food poverty line             |
|---------------|-------------------------------|----------------------|------------------------|-------------------------------|
|               | Headcount index<br>(per cent) | Poverty<br>depth     | Severity<br>of poverty | Headcount index<br>(per cent) |
| Kailahun      | 92                            | 0.42                 | 0.23                   | 45                            |
| Bombali       | 89                            | 0.50                 | 0.32                   | 63                            |
| Kenema        | 88                            | 0.38                 | 0.21                   | 38                            |
| Bonthe        | 85                            | 0.37                 | 0.20                   | 35                            |
| Tonkolili     | 84                            | 0.35                 | 0.20                   | 32                            |
| Port Loko     | 82                            | 0.31                 | 0.15                   | 20                            |
| Konriadugu    | 77                            | 0.33                 | 0.19                   | 29                            |
| Kambia        | 69                            | 0.21                 | 0.09                   | 9                             |
| Moyamba       | 68                            | 0.24                 | 0.13                   | 16                            |
| Kono          | 66                            | 0.25                 | 0.15                   | 22                            |
| Во            | 64                            | 0.27                 | 0.16                   | 25                            |
| Pujehun       | 59                            | 0.18                 | 0.09                   | 14                            |
| Western Rural | 45                            | 0.16                 | 0.09                   | 15                            |
| Western Urban | 15                            | 0.04                 | 0.04                   | 2                             |
| All districts | 70                            | 0.29                 | 0.16                   | 26                            |

Source: Government of Sierra Leone, 2005, Poverty Reduction Strategy Paper, page 61, table 3.4.

## Poverty by sex of the household head

Overall, people living in male-headed households had a slightly higher rate of poverty than those living in female-headed households, 70 per cent compared to 68 per cent. However, the difference in poverty between the two types of households varied according to the age group of the household head (table SL.7). When the head was under the age of 35, people from female-headed households were more likely to be poor. When the head was over the age of 45, people from male-headed households were more likely to be poor. The same statistical pattern was noted for poverty depth and severity of poverty (table SL.7).

Regarding the marital status of the household head, people living in households headed by polygamous males had higher poverty rates than those living in monogamous male-headed households or single-male-headed households (table SL.8). Also, people living in *de facto* female-headed households were more likely to be poor than those living in *de jure* female-headed households.

Table SL. 7. Headcount index by age group and sex of the household head, Sierra Leone, SLIHS 2004

|  | Headcount index<br>(per cent)   |                               |                                 | verty<br>epth                 | Severity<br>of poverty          |                               |
|--|---------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| Age group of<br>the household<br>head (year) | Female-<br>headed<br>households | Male-<br>headed<br>households | Female-<br>headed<br>households | Male-<br>headed<br>households | Female-<br>headed<br>households | Male-<br>headed<br>households |
| 15 – 25                                      | 67                              | 63                            | 0.26                            | 0.24                          | 0.10                            | 0.09                          |
| 26 – 35                                      | 69                              | 64                            | 0.28                            | 0.27                          | 0.12                            | 0.11                          |
| 36 – 45                                      | 70                              | 71                            | 0.31                            | 0.30                          | 0.14                            | 0.13                          |
| 46 – 55                                      | 69                              | 72                            | 0.30                            | 0.32                          | 0.13                            | 0.14                          |
| 56 – 65                                      | 67                              | 74                            | 0.28                            | 0.32                          | 0.12                            | 0.14                          |
| 66+  | 60                              | 79                            | 0.24                            | 0.35                          | 0.10                            | 0.16                          |
| All age groups                               | 68                              | 70                            | 0.29                            | 0.30                          | 0.12                            | 0.13                          |

Source: Government of Sierra Leone, 2005, Poverty Reduction Strategy Paper, page 64, table 3.7.

Note: Based on the overall poverty line.

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Table SL. 8. Headcount index by marital status of the head of household, Sierra Leone, SLIHS 2003/04

|                         | Headcount index (per cent) | Poverty<br>depth | Severity of poverty |
|-------------------------|----------------------------|------------------|---------------------|
| Male-headed households  |                            |                  |                     |
| Monogamous              | 70                         | 0.31             | 0.13                |
| Polygamous              | 75                         | 0.33             | 0.14                |
| Single                  | 63                         | 0.30             | 0.13                |
| emale-headed households |                            |                  | with Space Time     |
| De facto 1)             | 73                         | 0.32             | 0.14                |
| De jure <sup>2)</sup>   | 67                         | 0.29             | 0.13                |
| All categories          | . 70                       | 0.32             | 0.14                |

Source: Government of Sierra Leone, 2005, Poverty Reduction Strategy Paper, page 65, table 3.8.

Notes: Based on the overall poverty line.

<sup>1)</sup> De facto female-headed households refer to households headed by women whose male partner is temporarily away (for example, because of temporary migration for work or because of polygamy).

<sup>2)</sup> De jure female-headed households refer to households headed by women with no partner.

#### Poverty by employment of the household head

People living in households headed by a person working in agriculture or by an unpaid family worker were more likely to be poor (table SL.9). In 2003/04, more than three quarters of the people living in such households were poor. By contrast, in households headed by persons employed in the private sector or in parastatal/non-governmental organizations, less than one third of people were poor (table SL.9).

#### Poverty by education of the household head

There were large disparities in poverty according to the level of education of the household head. The headcount index varied from 75 per cent for people living in households where heads had no formal education to 17 per cent when the household head had university education (Government of Sierra Leone, 2005). The increase in the education level of the household head from no formal education to

Table SL. 9. Headcount index by employment of the household head, Sierra Leone, SLIHS 2003/04

|                      | Headcount index<br>(per cent) |
|----------------------|-------------------------------|
| Agriculture          | 83                            |
| Unpaid family worker | 77                            |
| Self-employed        | 51                            |
| Public employee      | 45                            |
| Parastatal/NGO       | 34                            |
| Private sector       | 31                            |
| Other                | 69                            |
| All categories       | 70                            |
|                      |                               |

**Source:** Government of Sierra Leone, 2005, *Poverty Reduction Strategy Paper*, page 67, table 3.10.

Note: Based on the overall poverty line.

primary education and from primary education to senior secondary education was associated with a larger decrease in the poverty rate for people living in female-headed households compared to those living in male-headed households (table SL.10).

Table SL. 10. Headcount index by education level of the household head, Sierra Leone, SLIHS 2003/04

|                     | Headcount index (per cent) |                        |  |
|---------------------|----------------------------|------------------------|--|
|                     | Female-headed households   | Male-headed households |  |
| No formal education | 72                         | 75                     |  |
| Primary education   | 58                         | 63                     |  |
| Junior secondary    |                            | 53                     |  |
| Senior secondary    | 28                         | 45                     |  |
| University          | W                          | 17                     |  |
| All                 | 68                         | 70                     |  |

**Source:** Government of Sierra Leone (2005) *Poverty Reduction Strategy Paper*, Freetown, table 3.14, page 76, based on Sierra Leone Integrated Household Survey, 2003/04.

Note: Based on the overall poverty line.

Two dots (..) indicate that information is not available.

## **Concluding remarks**

Poverty statistics in Sierra Leone have been generated in the last two decades only for two points in time, based on surveys conducted at a 14-year interval, before and after the civil war. The two surveys applied different methods of data collection and the poverty measurement was based on different types of poverty lines. Therefore, the two sets of statistics available for the country are not comparable and cannot be used to assess changes in poverty over time.

This current state of poverty statistics in Sierra Leone is about to change as the country is planning to conduct surveys on a regular basis. A household integrated survey collecting data on monetary poverty is scheduled for 2008. Also, there are plans to conduct annually the World Food Programme Vulnerability Surveys, launched in 2004, and the Core Welfare Indicators Questionnaire Surveys, launched in 2005 (Government of Sierra Leone, 2005).

The latest survey, SLIHS 2003/04, set new, sound, poverty lines and poverty profile to serve as benchmarks for future surveys. This is particularly important since the 2008 household integrated survey will be designed in a comparable manner as a first step in achieving its objective of determining the impact of the PRSP on poverty prevalence at national level and at the level of various socio-economic groups (Government of Sierra Leone, 2005).

# Togo

Togo, an agricultural country with an estimated population of 5,337,000 population in 2005 (United Nations, 2007), was ranked 147th (out of 177 countries) in UNDP's 2004 Human Development Index (United Nations Development Programme, 2006). The economic situation deteriorated in Togo in the 1980s and 1990s but was ameliorated in the 2000s. The real GDP per capita (in 2000 US dollars) declined from 346 in 1980 to 270 in 1990 and 248 in 2000, and has remained in the range of 240-244 since 2001 (World Bank, 2006c). The average annual GDP growth between 1996 and 2005 was 3.3 per cent, placing Togo in the group of African countries with slow growth over the period (World Bank, 2006c).

A series of structural adjustment programmes has been implemented in Togo since the 1980s with the support of the World Bank and International Monetary Fund. However, it was only at the end of the 1980s that the social dimension of the structural adjustments, particularly support for the most vulnerable categories of the population, started to be taken into account (Ministere de l'Economie, des Finances et des Privatisations, 2004). In 1996 a *National Programme of Fight against Poverty* was prepared. In 2001 the country began the process of elaborating a *Poverty Reduction Strategy Paper* (PRSP), and an interim PRSP was adopted in November 2004.

Drawing up policies and monitoring the results have been difficult in Togo in the absence of a system for monitoring poverty. At the time of the preparation of the interim PRSP the main source of data on monetary poverty was a consumption budget survey conducted in 1987-89. It was recognised by the country that a new consumption budget survey was needed in order to obtain updated data on poverty. However, such a survey was postponed until a new census could be taken in Togo (Republique Togolaise, 2004). Instead, a light survey, based on the Core Welfare Indicators Questionnaire, originally planned for implementation before April 2005, was conducted in 2006.

## National household surveys for poverty assessment

Since 1985, three surveys relevant for monetary-based poverty statistics were conducted in Togo (table TG.1). The first one, the 1987-89 Consumption Budget Survey (EBC), has so far been the main source and basis for the various studies on poverty in Togo. The second survey relevant for poverty analysis, which was supported by UNDP in 1995, covered only a sub-sample of the households interviewed in the 1987-89 EBC. The third survey, conducted in 2006, was based on a Core Welfare Indicators Questionnaire (CWIQ). The results of the 2006 CWIQ were not available at the time of preparation of this report, but they were expected to serve as the basis for a more detailed analysis of poverty and as input for the elaboration of the full PRSP for Togo.

In addition to the CWIQ, data on the non-monetary dimensions of poverty, such as health, nutrition, and education, have been collected through two Demographic and Health Surveys (in 1988 and 1998) and three Multiple Indicator Cluster Surveys (in 1995, 2000, and 2006).

## **Poverty measurement**

In Togo, monetary poverty has been measured based on expenditure data and absolute poverty lines. Among the three surveys that collected data on expenditure in the country in the last two decades, the 1987-89 Consumption Budget Survey (EBC), as presented in the 1996 World Bank poverty assessment of Togo, <sup>36</sup> is the basis for the profile of Togo in this report. According to the World Bank (1996b), the estimation

<sup>&</sup>lt;sup>36</sup> World Bank, 1996, Togo, Overcoming the Crisis, Overcoming Poverty. A World Bank Poverty Assessment, Report no. 15526-TO.

| National Survey  |      | Year<br>of survey   | Income<br>and<br>expenditure | Non-monetary<br>dimensions<br>of poverty | Subjective<br>evaluations<br>of poverty |
|--|------|---------------------|------------------------------|--|---|
| Consumption Budget Survey<br>(Enquête Budget Consommation) | EBC  | 1987-89             | V                            |  |   |
| UNDP study   |      | 1995                | <b>√</b>                     |  | ✓                                       |
| Core Welfare Indicators Survey                             | CWIQ | 2006                | $\checkmark$                 | <b>√</b>                                 |   |
| Demographic and Health Survey                              | DHS  | 1988, 1998          |                              | √ .                                      |   |
| Multiple Indicator Cluster Survey                          | MICS | 1995, 2000,<br>2006 |                              | √  |   |

Table TG. 1. Sources of data for poverty analysis in Togo, since 1985

**Sources:** Togo Direction Generale de la Statistique et de la Comptabilite Nationale; Republique Togolaise (2004); World Bank, *Africa Poverty Monitoring. Survey Navigator*, accessed on 25 April 2007 at www.worldbank.org; International Household Survey Network, *IHSN Central Survey Catalog*, accessed on 25 April 2007 at www.internationalsurveynetwork.org.

of poverty for the 1995 UNDP survey encountered methodological difficulties, especially regarding the seasonal price variation, calculations of food expenditure, and an under-representation of the more vulnerable households. The results from the 2006 CWIQ were not available for this report.

## Consumption aggregate

The poverty measurement for the 1987-89 EBC survey was based on expenditure data collected in two phases. Between February 1987 and March 1988 the survey was implemented in Lomé, the capital of the country, and three regional capitals, Atakpamé, Sokodé, and Kara. Household expenditures were recorded during a full month and food consumption was recorded for one week. In the second phase, between October 1988 and November 1989, the survey was conducted in a fourth regional capital, Dapaong, a sample of smaller towns (secondary centres), and a sample of rural communities. During this phase the households were visited twice for a full week at a six-month interval.

The consumption aggregate included expenditure on purchased food and non-food items as well as consumption from home-produced goods. The consumption of home-produced goods was valued based on price data collected at the major urban and rural markets. According to the World Bank (1996b) data collected on consumption from home-produced foods in the second phase were more complete, but, overall, the expenditure data of the two phases were considered comparable.

To adjust for differences in the cost of living during the period covered by the survey, the seasonal fluctuations in market prices were controlled for. In addition, multiple poverty thresholds, specific to the country's regions and types of locality, were set.

No adjustments were made to account for differences in expenditure derived from specific age and sex composition of the households.

## **Poverty lines**

The 1987-89 poverty estimates were based on absolute poverty thresholds following the food energy intake method. The minimum daily food intake was set at 2,050 calories per capita at national level. Three levels

of caloric requirements, specific to the three types of locality, were defined by the specialists of the World Bank — 1,990 calories in main urban areas, 2,000 calories in secondary urban centres, and 2,080 calories in rural areas. These values were based on levels of food energy intake previously calculated by the World Bank for another West African country, Benin (1994a).

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The resulting food poverty lines per year per person varied from 16,000 CFA francs in secondary urban centres in Kara to 33,600 in Lomé (table TG.2). The national weighted average food poverty line was 25,700 CFA francs per year per person.

Table TG. 2. Setting poverty lines, Togo, EBC 1987-89

|                         | Caloric requirement<br>(calories per day<br>per person) | Share of food<br>in total budget<br>(per cent) | Food poverty line<br>(CFA francs per year<br>per person) | Overall poverty line<br>(CFA francs per year<br>per person) |
|-------------------------|---|--|--|---|
| Main cities             |   |  |  |   |
| Kara                    | 1,900   | 60   | 17,800   | 29,600  |
| Dapaong                 | 1,900   | 60   | 21,400   | 35,700  |
| Sokodé                  | 1,900   | 60   | 22,700   | 37,800  |
| Atakpamé                | 1,900   | 60   | 25,200   | 42,000  |
| Lomé                    | 1,900   | 60   | 33,600   | 55,900  |
| Secondary urban centres |   | + *  |  | 11-11-11-1  |
| Kara                    | 2,000   | 70   | 16,000   | 22,900  |
| Plateaux                | 2,000   | 70   | 21,100   | 30,200  |
| Centrale                | 2,000   | 70   | 21,700   | 31,000  |
| Maritime                | 2,000   | 70   | 23,400   | 33,400  |
| Rural areas             |   |  |  | , also and the  |
| Plateaux                | 2,080   | 80   | 21,000   | 26,300  |
| Kara                    | 2,080   | 80   | 23,300   | 29,100  |
| Centrale                | 2,080   | 80   | 23,700   | 30,000  |
| Savanes                 | 2,080   | 80   | 26,400   | 33,000  |
| Maritime                | 2,080   | 80   | 28,300   | 35,400  |
| All areas               | 2,050   |  | 25,700   | 35,600  |

**Source:** World Bank, 1996, *Togo*: Overcoming the Crisis, Overcoming Poverty. A World Bank Poverty Assessment, Annex 1, page 8, table 1A.2.

The overall poverty line for 1987-89 was obtained by using the share of food expenditure in the total budget. The food expenses of poor households made up approximately 60 per cent of the total budget of households from the main cities, 70 per cent in the secondary urban centres and 80 per cent in rural areas. The overall poverty lines varied from 22,900 CFA francs per capita per year in urban Kara to 55,900 CFA

Francs in Lomé (table TG.2). The national weighted average overall poverty line was calculated as 35,600 CFA francs per year per person.

# Poverty profile

In Togo, in 1987-89, 32 per cent of the population was estimated to live below the overall poverty line and 17 per cent below the food poverty line.

## Poverty by region and type of locality

In general, the headcount index was highest in rural areas, lower in secondary urban centres, and lowest in the main cities. Among the main cities of the country, the headcount index varied from 12 per cent in

Table TG. 3. Headcount index, poverty depth, and severity of poverty, by region and type of locality, Togo, EBC 1987-89

| e .                 | Headcount index<br>(per cent) | Poverty<br>depth | Severity of poverty |
|---------------------|-------------------------------|------------------|---------------------|
| Main cities         |                               |                  |                     |
| Atakpamé            | 12                            | 0.091            | 0.070               |
| Kara                | 15                            | 0.108            | 0.079               |
| Lomé                | 17                            | 0.113            | 0.076               |
| Sokodé              | 18                            | 0.098            | 0.057               |
| Dapaong             | 24                            | 0.074            | 0.030               |
| Secondary urban cen | tres                          |                  |                     |
| Plateaux            | 13                            | 0.035            | 0.016               |
| Centrale            | 18                            | 0.024            | 0.005               |
| Kara                | 26                            | 0.074            | 0.029               |
| Maritime            | 31                            | 0.070            | 0.024               |
| Rural areas         |                               |                  |                     |
| Plateaux            | 12                            | 0.019            | 0.005               |
| Centrale            | 25                            | 0.054            | 0.018               |
| Maritime            | 45                            | 0.109            | 0.036               |
| Kara                | 57                            | 0.176            | 0.072               |
| Savanes             | 69                            | 0.203            | 0.080               |
| All areas           | 32                            | 0.100            | 0.045               |

Source: World Bank, 1996, Togo: Overcoming the Crisis, Overcoming Poverty. A World Bank Poverty Assessment, page 13, table 2.2.

Note: Based on the overall poverty lines.

Atakpamé to 24 per cent in Dapaong (table TG.3). The poorest regions were Savanes (where more than two thirds of the rural population was poor) and Kara (where more than half of the rural population and about a quarter of the urban population was poor) (table TG.3). These were also the regions with the highest poverty depth and severity of poverty. The Plateaux region was better off according to all three measures of poverty.

## Poverty by sex of the household head

Overall, people living in female-headed households had a slightly lower poverty rate than those living in male-headed households, 31 per cent compared to 33 per cent. However, the differences in poverty according to the sex of the household head varied from one region to another (table TG.4). People living in female-headed households were less likely to be poor only in Plateaux. In Savanes there was no significant difference in the poverty levels of people living in female-headed households compared to those living in male-headed households. On the other hand, in the regions of Centrale and Kara, people in female-headed households had considerably higher rates of poverty.

Table TG. 4. Headcount index by sex of the household head and by region, for overall poverty lines, Togo, EBC 1987-89

|                      | Headcount index (p       | Headcount index (per cent of population) |  |  |
|----------------------|--------------------------|--|--|--|
|                      | Female-headed households | Male-headed household                    |  |  |
| Maritime (incl.Lomé) | 34                       | 30                                       |  |  |
| Plateaux             | 10                       | 13                                       |  |  |
| Centrale             | 33                       | 22                                       |  |  |
| Kara                 | 54                       | 46                                       |  |  |
| Savanes              | 64                       | 64                                       |  |  |
| All regions          | 31                       | 33                                       |  |  |

**Source:** World Bank, 1996, *Togo: Overcoming the Crisis, Overcoming Poverty. A World Bank Poverty Assessment*, page 14, table 2.3. **Note:** Based on the overall poverty lines.

## Estimates of poverty after 1989

The results obtained from the 1995 UNDP survey were not comparable with the previous ones based on the 1987-89 EBC survey. In addition, according to the World Bank (1996b), reliability of the results was limited by the methods involved in data collection and poverty measurement. However, the 1995 survey is the only available source of data for monetary-based estimates of poverty conducted soon after the 1991-1993 Togolese crises. Based on an overall poverty threshold of 90,000 CFA francs per year per capita and a food poverty threshold of 70,000 CFA francs per year per capita, in 1995 almost three quarters of the Togolese population (73 per cent) was estimated to be poor and more than half (57 per cent), extremely poor (Republique Togolaise, 2004). According to the 1995 UNDP analysis, the crisis of 1991-1993 had the effect of equalizing incomes, plunging all regions of the country into a serious situation of extreme poverty (Republique Togolaise, 2004).

# **Concluding remarks**

The main poverty statistics for Togo have been based on the 1987-89 EBC survey, as provided by a 1996 study of the World Bank (1996). A second household survey, conducted in 1995, did not generate comparable and reliable estimates of poverty, while the results from the third survey, CWIQ 2006, were not available for this report.

The implementation schedule for a new consumption budget survey in Togo is yet to be defined as it awaits the next census, which would provide a new sampling frame for the survey. However, the country recognizes the need for an updated poverty profile and for new poverty statistics benchmarks that would help the process of policymaking and policy evaluation.

# **Technical notes**

Poverty measures:

(a) Headcount index (or poverty incidence or poverty rate) is the share of population below the poverty line. It can be denoted as:

$$H = \frac{q}{n}$$

where q is the number of people with income/expenditure below the poverty line and n is the population size.

(b) Poverty depth (or poverty gap) shows the relative income or expenditure shortfall of poor people with respect to the value of the poverty line. This measure is obtained by adding up all the shortfalls of the poor (assuming that the non-poor have a shortfall of zero) and dividing the total by the population. It can be defined as:

$$PD = \frac{1}{n} \sum_{i=1}^{q} \left[ \frac{z - y_i}{z} \right]$$

where z is the poverty line, and yi is the income/expenditure of the poor i, q is the number of people with income/expenditure below the poverty line and n is the population size.

(c) Severity of poverty takes into account both the distance of poor from the poverty line and the extent of inequality among the poor. It is a weighted sum of poverty gaps (as a proportion of the poverty line) where the weights are the proportionate poverty gaps themselves. Thus, among all the poor that are below the poverty line, the measure attaches more weight to the poorest of the poor compared to the less poor. It can be denoted as:

$$SP = \frac{1}{n} \sum_{i=1}^{q} \left[ \frac{z - y_i}{z} \right]^2.$$

Consumer Price Index (CPI) measures changes over time in the general level of prices of goods and services for a reference population. It is estimated based on a sample of prices for a defined set of goods and services obtained in, or by residents of, a specific region from a given set of outlets or other sources of consumption goods and services. Some countries use CPI in poverty measurement to price the basket of goods and to update the cost of the basket and the poverty line from one point in time to another.

*Equivalence scales* are indices that measure the relative cost of living for families of different sizes and composition. They usually consider two elements: the consumer unit equivalence, which takes into account the needs of the household members according to their characteristics such as age, sex, and type of activity and the economies of scale, which takes account of the decreasing marginal cost of some goods with the addition of new members to the household.

Purchasing Power Parity (PPP) is defined as the number of units of a country's currency required to buy in that country the same amount of goods and services as can be bought with one unit of the currency of the base country, usually the US dollar, or with one unit of the common currency of a group of countries. PPPs are averages of price ratios between countries, calculated based on data collected in the countries participating in the International Comparison Program (ICP). In order to compare levels of poverty across countries the World Bank uses PPP rates (rather than exchange rates) to convert estimates of consumption from the national currency into US dollars.

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